Tech Mahindra

Annual Report 2011-12

Tech Mahindra Limited

The Power of One is the power of many
The power of many, together, is bound by spirit… To become the power of one!

The Power of One is built by strengths, rock-solid!
75,000 work force together

The Power of One is created by dreams, infinite!
Across 46 countries and 350 marquee customers, together

The Power of One is empowered by confidence, indisputable!
Defined go-to-market strategies, together

The Power of One is accomplished by customer experience, valuable!
Diversified global footprints spanning the spectrum

The Power of One is motivated by commitments, genuine!
Enthusiastic volunteers across charities
The Power of One is a promise of reaching higher, reaching wider!

The merger of two companies, Tech Mahindra and Mahindra Satyam is the culmination of a three-year transformation journey. Both the companies are market leaders and are part of the US $15.4 billion Mahindra Group.

While Tech Mahindra is a leading global systems integrator and business transformation consulting organization focused primarily on the telecommunications industry, Mahindra Satyam is a leading global business and information technology services company that helps companies transform their business processes and improve their business performance. The new entity will leverage the strengths of both companies, creating significant growth opportunities.

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, 2012.

Financial Results:

For the year ended March 31,	2012 $	2012 ₹	2011 $	2011 ₹
Income	143,701,867	7,346,039,443	106,321,364	5,435,148,128
Profit/(Loss) before tax	7,823,650	399,944,990	5,795,915	296,287,174
Profit/(Loss)after tax	4,857,527	248,316,782	3,613,612	184,727,845

Review of operations:

During the fiscal year, the Company achieved income of $ 143,701,867 (equivalent to ₹ 7,346,039,443), an increase of 35% 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 34% 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, May 17, 2012

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, 2012 and 2011, 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) Inc. as of March 31, 2012 and 2011, 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 12 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 13, 2012

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, 2012 and 2011, 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 14-25 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 ₹ 51.12 to 1.00 USD for both 2012 and 2011.

Catrakilis & Company CPA's, P. C.

Atlanta, Georgia

April 13, 2011

SUPPLEMENTAL BALANCE SHEETS

	March 31,			
	2012		2011	
	USD	**₹**	USD	₹
ASSETS:				
Current assets:				
Cash	**97,134**	**4,965,490**	1,692,001	86,495,091
Accounts receivable - trade	**1,807,731**	**92,411,209**	3,417,455	174,700,300
Employee advances	**1,061,441**	**54,260,864**	1,488,153	76,074,381
Deferred tax assets (Note 4)	**2,029,322**	**103,738,941**	1,504,762	76,923,433
Due from parent company (Note 5)	**25,318,585**	**1,294,286,065**	13,983,336	714,828,136
Due from affiliated companies (Note 6)	**866,232**	**44,281,780**	309,455	15,819,340
Prepaid expenses and other current assets	**188,684**	**9,645,526**	357,052	18,252,498
Total current assets	**31,369,129**	**1,603,589,875**	22,752,214	1,163,093,179
Property and equipment, net (Note 3)	**207,342**	**10,599,323**	45,853	2,344,005
Security deposits and other assets	**104,780**	**5,356,354**	102,735	5,251,813
Total Assets	**31,681,251**	**1,619,545,552**	22,900,802	1,170,688,997
LIABILITIES AND STOCKHOLDER'S EQUITY				
Liabilities:				
Current liabilities:				
Accrued expenses	**8,761,052**	**447,864,979**	5,644,123	288,527,567
Accounts payable	**1,318,954**	**67,424,928**	10,887	556,543
Customer advances	**10,227**	**522,804**	10,227	522,804
Income taxes payable	**941,938**	**48,151,871**	591,202	30,222,246
Due to parent company (Note 5)	**1,556,917**	**79,589,597**	2,182,495	111,569,144
Due to affiliated company (Note 6)	**1,614,457**	**82,531,042**	1,841,689	94,147,143
Total current liabilities	**14,203,545**	**726,085,221**	10,280,623	525,545,447
Stockholder's equity				
Common stock - $1 par value - 500,000 shares authorized 375,000 shares issued and outstanding	**375,000**	**19,170,000**	375,000	19,170,000
Retained earnings	**17,102,706**	**874,290,331**	12,245,179	625,973,550
Total stockholder's equity	**17,477,706**	**893,460,331**	12,620,179	645,143,550
Total Liability and Stockholder's Equity	**31,681,251**	**1,619,545,552**	22,900,802	1,170,688,997

See accompanying notes to supplemental financial statements

SUPPLEMENTAL STATEMENTS OF INCOME AND RETAINED EARNINGS

	Years ended March 31,			
	2012		2011	
	USD	**₹**	USD	₹
REVENUE	**143,691,215**	**7,345,494,911**	106,305,666	5,434,345,646
OPERATING EXPENSES:				
Personnel	**95,416,586**	**4,877,695,876**	76,635,663	3,917,615,093
General and administrative	**40,301,864**	**2,060,231,288**	23,756,580	1,214,436,370
Depreciation	**159,767**	**8,167,289**	133,206	6,809,491
Total operating expenses	**135,878,217**	**6,946,094,453**	100,525,449	5,138,860,954
Operating income	**7,812,998**	**399,400,458**	5,780,217	295,484,692
OTHER INCOME (EXPENSES)				
Other income (expense)	**1,433**	**73,255**	1,066	54,494
Interest income	**9,219**	**471,277**	14,632	747,988
Total other income	**10,652**	**544,532**	15,698	802,482
Income before income tax expense	**7,823,650**	**399,944,990**	5,795,915	296,287,174
INCOME TAX EXPENSE (Note 4)	**2,966,123**	**151,628,208**	2,182,303	111,559,329
NET INCOME	**4,857,527**	**248,316,782**	3,613,612	184,727,845
Retained earnings, beginning of period	**12,245,179**	**625,973,550**	8,631,567	441,245,705
Retained earnings, end of period	**17,102,706**	**874,290,332**	12,245,179	625,973,550

See accompanying notes to supplemental financial statements

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Years ended March 31,			
	2012		2011	
	USD	₹	USD	₹
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	**4,857,527**	**248,316,780**	3,613,612	184,727,845
Adjustments to reconcile net income to				
cash provided by operating activities:				
Depreciation	**159,767**	**8,167,289**	133,206	6,809,491
Deferred income tax expense	**(524,560)**	**(26,815,507)**	(610,962)	(31,232,377)
Changes in operating assets and liabilities:				
Accounts receivable - trade	**1,609,724**	**82,289,091**	(1,815,809)	(92,824,156)
Due from parent company	**(11,335,249)**	**(579,457,929)**	(3,975,654)	(203,235,432)
Due from affiliated companies	**(556,777)**	**(28,462,440)**	(200,247)	(10,236,627)
Employee advances	**426,712**	**21,813,517**	(164,968)	(8,433,164)
Prepaid expenses and other current assets	**168,368**	**8,606,972**	(4,283)	(218,947)
Security deposits and other assets	**(2,045)**	**(104,540)**	(53,493)	(2,734,562)
Accrued expenses	**3,116,929**	**159,337,410**	(322,262)	(16,474,034)
Accounts payable	**1,308,067**	**66,868,385**	10,887	556,543
Customer advances	**-**	**-**	(31,490)	(1,609,765)
Income tax payable	**350,736**	**17,929,624**	463,587	23,698,567
Due to parent company	**(625,578)**	**(31,979,547)**	903,079	46,165,398
Due to affiliated companies	**(227,232)**	**(11,616,100)**	1,238,360	63,304,963
Net Cash Used in Operating Activities	**(1,273,611)**	**(65,106,995)**	(816,437)	(41,736,257)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property and equipment purchased	**(321,256)**	**(16,422,608)**	(164,562)	(8,412,410)
Net decrease in cash	**(1,594,867)**	**(81,529,603)**	(980,999)	(50,148,668)
Cash , beginning of period	**1,692,001**	**86,495,093**	2,673,000	136,643,759
Cash, end of period	**97,134**	**4,965,490**	1,692,001	86,495,091
Supplemental disclosure:				
Cash paid for income taxes	**3,139,947**	**160,514,091**	2,329,766	119,097,638

See accompanying notes to supplemental financial statements

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS MARCH 31, 2012 AND 2011

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.

On March 6, 2012, TMA created Tech Talenta, Inc. (TechT). TechT is a Texas corporation, which is 100% owned by TMA. The primary purpose of TechT will be to provide knowledgeable resources to the telecommunications industry.

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. NON-CONSOLIDATED SUBSIDIARY

TMA, a wholly owned subsidiary of TechM, has elected not to present consolidated financial statements for TMA and its wholly owned subsidiary TechT. Management is of the opinion that at TMA level, stand-alone company financial statements are 1) considered more meaningful to the readers of the financial statements and 2) the costs of preparing consolidated financial statements are not warranted. In addition, for the year ended March 31, 2012, TechT had no activity. As of March 31, 2012, TMA has not funded its investment in TechT.

B. 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.

C. ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consist primarily of amounts due from parent and affiliated companies' customers for services provided by TMA. As of March 31, 2012 the allowance for doubtful accounts was $100,000 (₹ 5,112,000) (March 31, 2011: $0 (₹ 0)). 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 2E below).

D. 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 (₹ 25,560) with lesser amounts expensed in the year purchased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUE AND EXPENSES

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

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

Expenses are recorded when incurred.

F. 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.

In terms of FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken on expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

G. RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform with current period presentation.

3. PROPERTY AND EQUIPMENT

At March 31, 2012 and 2011, property and equipment are summarized as follows:

	March 31, 2012		March 31, 2011	
	USD	**₹**	USD	₹
Furniture and equipment - cost	**559,576**	**28,605,525**	238,320	12,182,918
Less: accumulated depreciation	**(352,234)**	**(18,006,202)**	(192,467)	(9,838,913)
Property and equipment, net	**207,342**	**10,599,323**	45,853	2,344,005

Depreciation expense for the three months ended March 31, 2012 and 2011 was $66,104 (₹ 3,379,236) and $34,139 (₹ 1,745,186), respectively and for the twelve months ended March 31, 2012 and 2011 was $159,767 (₹ 8,167,289) and $133,206 (₹ 6,809,491), respectively. The depreciation policies followed by TMA are described in Note 2D.

4. INCOME TAXES

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

Current income tax expense consists of the following:

	Year Ended March 31, 2012		Year Ended March 31, 2011	
	USD	**₹**	USD	₹
Current income tax expense consists of the following:				
Federal	**2,886,349**	**147,550,161**	2,343,101	119,779,323
State	**604,334**	**30,893,554**	450,164	23,012,383
	3,490,683	**178,443,715**	2,793,265	142,791,706
Deferred income tax expense (benefit) consists of the following:				
Federal	**(444,137)**	**(22,704,283)**	(527,276)	(26,954,349)
State	**(80,423)**	**(4,111,224)**	(83,686)	(4,278,028)
	(524,560)	**(26,815,507)**	(610,962)	(31,232,377)
Total current and deferred income tax expenses	**2,966,123**	**151,628,208**	2,182,303	111,559,329
Deferred tax asset consists of the following:				
Federal	**1,689,833**	**86,384,263**	1,245,695	63,679,928
State	**339,489**	**17,354,678**	259,067	13,243,505
	2,029,322	**103,738,941**	1,504,762	76,923,433

As of March 31, 2012 and 2011, TMA had utilized all available federal net operating losses available to be carried forward from prior years. As of March 31, 2012, the Company had approximately $104,149 (₹ 5,324,097) (March 31, 2011: $213,747 (₹ 10,926,746) 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.

The US IRS audit for the fiscal year ended March 31, 2010 has been concluded. The adjustments proposed by the IRS field auditor are immaterial.

In the ordinary course of business there are many transactions that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

5. TRANSACTIONS WITH PARENT COMPANY

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

	Year ended March 31, 2012		Year ended March 31, 2011	
	USD	**₹**	USD	₹
Beginning balance, due from parent company	**(11,800,841)**	**(603,258,992)**	(8,728,266)	(446,188,958)
Contract revenue - parent company	**45,696**	**2,335,980**	197,818	10,112,456
Income from parent company	**(139,768,684)**	**(7,144,975,126)**	(103,914,572)	(5,312,112,921)
Payments to parent company	**(5,494,514)**	**(280,879,556)**	(2,011,109)	(102,807,891)
Collections from parent company	**128,608,622**	**6,574,472,757**	97,650,734	4,991,905,522
Advances received from parent company	**4,648,053**	**237,608,469**	5,004,554	255,832,800
Ending balance due to (from) parent company	**(23,761,668)**	**(1,214,696,468)**	(11,800,841)	(603,258,992)

Due (to) from parent consists of:

	March 31, 2012		March 31, 2011	
	USD	**₹**	USD	₹
Amounts due to parent company	**(1,556,917)**	**(79,589,597)**	(2,182,495)	(111,569,144)
Amounts due from parent company	**25,318,585**	**1,294,286,065**	13,983,336	714,828,136
	23,761,668	**1,214,696,468**	11,800,841	603,258,992

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 2E above. Transactions with CAI are summarized below:

	Year ended March 31, 2012		Year ended March 31, 2011	
Beginning balance, due to (from) CAI	**1,468,198**	**75,054,282**	494,121	25,259,466
Contract revenue - CAI	**10,094,343**	**516,022,813**	8,335,666	426,119,245
Income from CAI	**(3,922,530)**	**(200,519,734)**	(2,391,092)	(122,232,623)
Payments to CAI	**(10,749,586)**	**(549,518,836)**	(7,262,043)	(371,235,638)
Expense reimbursement - debit/ credit notes	**(18,207)**	**(930,742)**	2,314,083	118,295,923
Collections from CAI	**3,685,515**	**188,403,527**	-	-
Advances paid to CAI	**-**	**-**	(64,937)	(3,319,579)
Advances paid by CAI	**-**	**-**	42,400	2,167,488
Ending balance due to CAI	**557,733**	**28,511,310**	1,468,198	75,054,282

Due (to) from CAI consist of:

	March 31, 2012		March 31, 2011	
	USD	**₹**	USD	₹
Amounts due to CAI	**(1,064,108)**	**(54,397,201)**	(1,719,352)	(87,893,275)
Amounts due from CAI	**506,375**	**25,885,891**	251,154	12,838,993
	(557,733)	**(28,511,310)**	(1,468,198)	(75,054,282)

6. TRANSACTIONS WITH AFFILIATED COMPANIES (CONTINUED)

In the years ending March 31, 2012 and 2011, TMA had inter-company transactions with CanvasM Technologies Limited (CTL), an affiliated company. Transactions with CTL are summarized below:

	Year ended March 31, 2012		Year ended March 31, 2011	
	USD	**₹**	USD	₹
Beginning balance, due from CTL	**-**	**-**	-	-
Expense reimbursement - debit/ credit notes	**(90,306)**	**(4,616,443)**	-	-
Ending balance due from CTL	**(90,306)**	**(4,616,443)**	-	-

Due (to) from CTL consists of:

	March 31, 2012		**March 31, 2011**	
	USD	**₹**	USD	₹
Amounts due to CTL	**(20,000)**	**(1,022,400)**	-	-
Amounts due from CTL	**110,306**	**5,638,843**	-	-
	90,306	**4,616,443**	-	-

Beginning in the quarter ended March 31, 2011, TMA started exchanging resources at cost with Satyam Computer Services Limited (MSAT), an affiliated company. Transactions with MSAT are summarized below:

	Year ended March 31, 2012		Year ended March 31, 2011	
	USD	**₹**	USD	₹
Beginning balance, due to MSAT	**64,036**	**3,273,520**	-	-
MSAT resources used by the company	**243,067**	**12,425,585**	-	-
Expense reimbursement - debit/ credit notes	**(4,013)**	**(205,145)**	64,036	3,273,520
Collections from MSAT	**130,832**	**6,688,133**	-	-
Payments to MSAT	**(153,124)**	**(7,827,699)**	-	-
Ending balance due to MSAT	**280,798**	**14,354,394**	64,036	3,273,520

Due (to) from MSAT consist of:

	March 31, 2012		March 31, 2011	
	USD	**₹**	USD	₹
Amounts due to MSAT	**(530,349)**	**(27,111,441)**	(122,337)	(6,253,867)
Amounts due from MSAT	**249,551**	**12,757,047**	58,301	2,980,347
	(280,798)	**(14,354,394)**	(64,036)	(3,273,520)

	March 31, 2012		March 31, 2011	
	USD	**₹**	USD	₹
Amounts due to affiliated companies	**(1,614,457)**	**(82,531,042)**	(1,841,689)	(94,147,143)
Amounts due from affiliated companies	**866,232**	**44,281,780**	309,455	15,819,340
	(748,225)	**(38,249,262)**	(1,532,234)	(78,327,803)

7. CONCENTRATION OF RISK

Revenue from the parent and affiliated companies ("contract revenue") for the three months ended March 31, 2012 and 2011 was $37,779,608 (₹ 1,931,293,561) and $28,135,245 (₹ 1,438,273,724), representing 100% for both periods. For the twelve months ended March 31, 2012 and 2011 contract revenue was $143,691,215 (7,345,494,911) and $106,305,666 (5,434,345,646), representing 100% for both periods. This contract revenue is received by TMA and then is transferred to TechM and CAI. Contract revenue has been treated as agency transactions for financial statements purposes.

	Year ended March 31,		
	2012		
	USD	**₹**	**Concentration**
Huawei Technologies (USA)	**1,797,789**	**91,902,974**	**18%**
Samsung Telecommunications America	**1,793,735**	**91,695,733**	**18%**

	Year ended March 31,		
	2011		
	USD	₹	Concentration
Huawei Technologies (USA)	1,623,588	82,997,819	19%
Samsung Telecommunications America	689,976	35,271,573	8%

Accounts receivable concentration:

	March 31, 2012		
	USD	**₹**	**Concentration**
AT&T Mobility	**260,316**	**13,307,354**	**15%**
Huawei Technologies (USA)	**-**	**-**	**-**
Dell	**33,915**	**1,733,735**	**2%**

	March 31, 2011		
	USD	₹	Concentration
AT&T Mobility	15,756	805,447	0%
Huawei Technologies (USA)	1,271,975	65,023,362	37%
Dell	584,253	29,867,013	17%

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.

Effective January 1, 2012 the employee medical insurance policy was modified. Pursuant to the modification, employees' contributions toward the health insurance plan are initiated.

Employees of TMA may be allotted/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 $451,016 (₹ 23,055,938) and $364,891 (₹ 18,653,228) for the years ended March 31, 2012 and 2011, and $98,526 (₹ 5,036,649) and $104,314 (₹ 5,332,532) for the three months ended March 31, 2012 and 2011, respectively. Future minimum lease payments under operating leases are as follows:

Years ending March 31,

	USD	₹
2013	390,045	19,939,100
2014	289,016	14,774,498
2015	56,736	2,900,344
	735,797	37,613,942

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 13, 2012, the date the financial statements were available to be issued. Except as described below, no significant events occurred subsequent to the balance sheet date but prior to April 13, 2012, that would have a material impact on the financial statements.

As of April 13, 2012, TMA has not funded its investment in its wholly owned subsidiary, TechT.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD & INR)

	Years ended March 31,			
	2012		2011	
	USD	**₹**	USD	₹
Schedule I				
REVENUE				
Contract revenue	**10,140,038**	**518,358,743**	$8,533,484	436,231,702
Transfers to parent and affiliated companies	**(10,140,038)**	**518,358,743)**	(8,533,484)	(436,231,702)
	-	**-**	-	-
Revenue from parent and affiliated companies	**143,691,215**	**7,345,494,911**	106,305,666	5,434,345,646
	143,691,215	**7,345,494,911**	106,305,666	5,434,345,646
Schedule II				
PERSONNEL EXPENSES				
Salaries				
Software engineers	**73,565,167**	**3,760,651,336**	58,661,172	2,998,759,113
Administrative	**1,001,691**	**51,206,444**	943,916	48,252,986
Sales and marketing	**6,968,415**	**356,225,375**	5,859,950	299,560,644
Payroll taxes	**6,672,138**	**341,079,695**	5,465,516	279,397,178
Employee benefits	**7,209,175**	**368,533,026**	5,705,109	291,645,172
	95,416,586	**4,877,695,876**	76,635,663	3,917,615,093
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**30,338,039**	**1,550,880,554**	18,388,521	940,021,193
Insurance	**142,945**	**7,307,348**	194,035	9,919,069
Travel	**6,351,811**	**324,704,578**	2,618,526	133,859,049
Bad debt expense	**100,000**	**5,112,000**	-	-
Entertainment	**265,469**	**13,570,775**	53,782	2,749,336
Professional fees	**688,588**	**35,200,619**	276,518	14,135,600
Rent	**451,016**	**23,055,938**	364,891	18,653,228
Communications	**712,374**	**36,416,559**	703,149	35,944,977
Office expenses	**180,668**	**9,235,748**	120,876	6,179,181
Sales and other indirect taxes	**277,991**	**14,210,900**	138,395	7,074,752
Advertising and publicity	**344,924**	**17,632,515**	474,638	24,263,495
Project specific expenses	**329,373**	**16,837,548**	288,783	14,762,587
Miscellaneous expenses	**118,666**	**6,066,206**	134,466	6,873,903
	40,301,864	**2,060,231,288**	23,756,580	1,214,436,370

TECH MAHINDRA GmbH, DÜSSELDORF

Supervisory Board

Mr. Vineet Nayyar - Chairman

Mr. Ulhas N. Yargop

Managing Directors

Mr. Sonjoy Anand

Mr. Gurpreet Grewal

Registered Office

Prinzenallee 7, 40549

Düsseldorf,

Germany

Bankers

HSBC Bank

Auditors

Deloitte and Touche, GmbH

Düsseldorf, Germany

Management Report for the Financial Year 2011-2012

Business Activities

Tech Mahindra Gmbh is a wholly-owned German subsidiary of Tech Mahindra Limited, Pune, India, and was established in 2001. The Company's business activities focus on providing consulting technology and outsourcing services to the communications sector.

In the course of the year, NASSCOM declared Tech Mahindra to be the sixth largest Indian IT service provider and Dataquest included Tech Mahindra in its desired 2010 DQ Top 20 list. Gartner rated Tech Mahindra as 12th largest service provider worldwide among Gartners Top 50 Telecom Operations Management System (TOMS), based on market share and sales in 2009-2010. As such, Tech Mahindra is the best Indian provider in the telecommunication management sector. Tech Mahindra Gmbh is one of the few strategic vendors in Germany for two of the largest telecommunication providers, with which it entered into global framework agreements for various services. One of our most substantial services covers the provision of application test services and application management solutions in the field of accounting and customer services.

In general, we render our services to our parent company under a Service Provider Agreement. This form of transactions implies that the contracts are concluded between our parent company and the customer. We thereby act as sub-contractor of our parent company and do not bear any risks. The compensation for our services rendered is based on the reimbursement of cost incurred plus a mark-up. In exceptional cases, we directly enter into contracts with the customers. However, also in these instances our parent company bears the risks.

Development of the Overall Economy and of the Industry

The financial years 2009-2010 and 2010-2011 were characterised by the global economic crisis. Outsourcing services for the telecommunication industry, however, were less affected than the overall economy. On the one hand, this is due to the concluded framework agreements. On the other hand, it is due to the higher cost pressure on the telecommunication providers, as this pressure forces the providers into outsourcing more services. We have also seen increasing competitive pressure following higher price pressure in the market that is relevant to our business. The financial year 2011-2012 showed some positive results in the market, but overall remained at a similar level as seen in 2010-2011.

Development of Sales

Since our compensation system is based on reimbursement of the cost incurred plus a mark-up ("cost plus method") under the Service Provider Agreement, the general economic development and the development of the industry do only conditionally affect the business development of our Company.

The sales under the Service Provider Agreement decreased from EUR 12,771 thousand to EUR 11,007 thousand, while the sales resulting from own business, in which we directly entered into contracts with the customers, increased from EUR 1,567 thousand to EUR 2,136 thousand.

Employees

The nature of our business demands us to have highly skilled employees for working in high-tech and telecommunication projects. This requires us to provide personnel from our Indian-based Tech Mahindra development centres. In addition, we employ skilled employees as well as contractors on site. Our employees work at customer premises across Germany such as Bonn, Munich, Hamburg, but also in the Netherlands and Switzerland. Most of our employees have graduate degrees and some even have post-graduate degrees.

Business Development

- **Results of Operations**

  Under the Service Provider Agreement concluded with the parent company, Tech Mahindra Gmbh passes on the cost incurred plus a mark-up of 6%, so that Tech Mahindra Gmbh always benefits from cash inflows and realises sales that more than compensate the costs. The Company discloses a net income for the financial year of EUR 626 thousand compared with EUR 724 thousand in the prior year. This accounts for 4.8% (prior year: 5.1%) of the sales.

  The cost of purchased services includes EUR 2,136 thousand (prior year: EUR 1,567 thousand) charged by the parent company for services. This cost corresponds to the sales generated with third parties (direct business with customers).

  The decline of EUR 1,323 thousand in personnel expenses is a result of a new social security agreement between India and Germany, under which an employee, who comes from India with a work permit to Germany, must no longer pay pension and unemployment insurance premiums. The relevant employer's contributions have also been cancelled. Part of the salary for the employees coming from India and working in Germany is paid in India. As a result, salary payments and social security contributions in Germany considerably declined.

  In 2010-2011 the average number of employees increased to 159 compared with 153 employees in the prior year.

- **Net Asset Position**

  Following the net income for the financial year, the equity ratio decreased from 69.9% to 69%. Total assets rose from EUR 5,675 thousand to EUR 6,658 thousand.

  Apart from the liquid funds amounting to EUR 2,947 thousand (prior year: EUR 2,124 thousand), the assets side of the balance sheet is primarily affected by the receivables from affiliated companies of EUR 3,070 thousand (prior year: EUR 3,098 thousand), i.e. 46.1% (prior year: 54.6%) of the net worth.

  The liquid funds grew by EUR 823 thousand primarily as a result of cash inflows from current business activities.

  The trade receivables increased by EUR 257 thousand to EUR 497 thousand in association with the reporting date.

The capital side of the balance sheet shows a reduction of EUR 55 thousand in the other provisions (EUR 779 thousand) primarily on account of lower provisions for subcontractors due to a decline in subcontracting.

The liabilities to affiliated companies have increased by EUR 358 thousand on the prior year and amount to EUR 749 thousand on the reporting date following higher sales generated with third parties and subsequent costs charged by the parent company.

The other liabilities grew by EUR 80 thousand to EUR 222 thousand, especially as a result of higher staff-related obligations.

- **Financial Situation**

  The Company is currently completely self-financed. As at the reporting date, there are no liabilities to banks. No credit lines with banks are available to the Company. The Service Provider Agreement ensures permanent cash flows for financing the current business activities. As at March 31, 2012, the Company's cash and bank balances amount to EUR 2,947 thousand compared with EUR 2,124 thousand in the prior year. The increase of EUR 823 thousand on the prior year predominantly results from cash inflows from operating activities.

Risk Management

The Company has a financial reporting system in place that is integrated in the Tech Mahindra group reporting activities. This system assists the Company in permanently monitoring and controlling the business development by preparing comparable expected and actual budgets.

On account of the above-described Service Provider Agreement, the Company benefits from permanent cash inflows and realises sales which exceed the costs. Due to the agreements, the Company is not aware of any material business risks.

Outlook as well as Risks and Opportunities of the Future Development

In the light of the current orders on hand, we expect growth between 20% and 30% for the financial year 2012-2013 and similar growth rates for the financial year 2013-2014. This growth will result from follow-up business, while new contracts gained from existing customers and new operators and in new markets, such as Eastern Europe, are expected to account for 30% of the growth. In addition, we will extend our services into segments such as system integration, value-added services and security. As a result of the takeover of Satayam Computer Services carried out by Tech Mahindra Ltd. we anticipate additional growth drivers and new market opportunities.

We expect the future to be prosperous. Since the operators are under cost pressure, the demand for outsourcing, offshore and managed services will increase. The launch of new technologies is accompanied by insufficient technical skills, which Tech Mahindra, however, is able to provide.

Some of the risks we are exposed to arise from slowly developing offshore services, stronger competition and lower margins. We focus on addressing these risks by engaging in increasing marketing activities, by creating distinct quality guarantees to existing customers, by expanding business activities beyond ordinary activities such as OSS, VAS and networks as well as by entering new markets.

Based on our Service Provider Agreements which form the basis of our business operations, we expect slightly higher net income for the years 2012-13 and 2013-2014.

Düsseldorf, Germany, April 23, 2012

Sonjoy Anand	**Gurpreet Grewal**
Managing Director	Managing Director

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 2011 to March 31, 2012. 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, 27 April 2012

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

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

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

BALANCE SHEET AS AT MARCH 31, 2012

	31 Mar. 2012	Prior year
	EUR	EUR
Assets		
A. Fixed assets		
I. Intangible fixed assets		
Software acquired for a consideration	**1.00**	1.00
II. Tangible fixed assets		
Other equipment, operating and office equipment	**982.00**	1,828.75
	983.00	1,829.75
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	**496,746.60**	240,168.89
2. Receivables from affiliated companies	**3,070,037.46**	3,097,503.83
3. Other assets	**132,848.48**	200,802.80
	3,699,632.54	3,538,475.52
II. Cash-in-hand, bank balances	**2,947,373.63**	2,124,135.92
	6,647,006.17	5,662,611.44
C. Prepaid expenses	**10,348.54**	10,503.39
	6,658,337.71	5,674,944.58

	31 Mar. 2012	Prior year
	EUR	EUR
Equity and Liabilities		
A. Equity		
I. Subscribed capital	**575,000.00**	575,000.00
II. Capital reserves	**6,625,000.00**	6,625,000.00
III. Accumulated losses brought forward	**-3,233,293.35**	-3,957,751.80
IV. Net income for the financial year	**625,691.21**	724,458.45
	4,592,397.86	3,966,706.65
B. Provisions		
Other provisions	**779,425.48**	834,273.58
C. Liabilities		
1. Trade payables	**316,163.00**	341,034.45
2. Liabilities to affiliated companies	**748,679.67**	390,485.06
3. Other liabilities	**221,671.70**	142,444.84
Of which taxes:		
EUR 88,559.83 (prior year: EUR 97 thousand)		
Of which relating to social security:		
EUR 0.00 (prior year: EUR 3 thousand)		
	1,286,514.37	873,964.35
	6,658,337.71	5,674,944.58

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2011 TO MARCH 31, 2012

		2011/2012 EUR	Prior year EUR
1.	Sales	**13,142,773.82**	14,337,844.60
2.	Other operating income	**19,520.00**	29,315.95
3.	Cost of purchased services	**5,075,901.70**	4,809,253.46
4.	Personnel expenses		
	a) Salaries	**5,907,231.71**	6,664,979.56
	b) Social security	**450,505.63**	1,016,161.03
5.	Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	**1,415.73**	3,180.80
6.	Other operating expenses	**1,106,744.24**	1,151,018.16
7.	Other interest and similar income	**5,196.40**	1,890.91
8.	Result from ordinary activities = Net income for the financial year	**625,691.21**	724,458.45

MOVEMENTS IN FIXED ASSETS IN THE FINANCIAL YEAR 2011/2012

		Gross book values				Accumulated amortisation/depreciation/ write-downs				Net book values	
		Balance as at 1 Apr. 2011 EUR	Additions EUR	Disposals EUR	Balance as at 31 Mar. 2012 EUR	Balance as at 1 Apr. 2011 EUR	Additions EUR	Disposals EUR	Balance as at 31 Mar. 2012 EUR	Balance as at 31 Mar. 2012 EUR	Prior year EUR
I.	**Intangible fixed assets**										
	Software acquired for a consideration	10,842.01	0.00	0.00	**10,842.01**	10,841.01	0.00	0.00	**10,841.01**	**1.00**	1.00
II.	**Tangible fixed assets**										
	Other equipment, operating and office equipment	24,070.25	568.98	1,825.93	**22,813.30**	22,241.50	1,415.73	1,825.93	**21,831.30**	**982.00**	1,828.75
		34,912.26	568.98	1,825.93	**33,655.31**	33,082.51	1,415.73	1,825.93	**32,672.31**	**983.00**	1,829.75

Notes to the Financial Statements 2011/2012

A. General Information

The annual financial statements as at March 31, 2012 have been prepared according to the regulations under the German Commercial Code (HGB) and the German Law on Limited Liability Companies (GmbHG).

In some cases, the Company has taken advantage of the exemption rules, when preparing the annual financial statements.

The Company is a medium-sized firm 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 of less than EUR 410.00 are expensed as incurred. Assets with acquisition cost of more than EUR 410.00 are depreciated over their individual useful lives.

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 middle 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 middle 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 318 thousand, prior year: EUR 319 thousand), bonus provisions (EUR 126 thousand, prior year: EUR 6 thousand), fees for the preparation and audit of annual financial statements (EUR 21 thousand, prior year: EUR 14 thousand) and sundry (EUR 288 thousand, prior year: EUR 496 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:	**2011/2012**	**Prior year**
	EUR'000	**EUR'000**
Benefits in kind	**19**	26
Release of provisions	**0**	0
Other	**0**	3
	19	29

The item does not include income from other periods (prior year: EUR 3 thousand).

Other Operating Expenses

Analysis:	**2011/2012**	Prior Year	Variance
	EUR'000	EUR'000	EUR'000
Travel expenses, car cost, entertainment	**405**	442	(37)
Legal and advisory fee	**510**	425	85
Rent, office services	**82**	73	9
Telephone, fax	**66**	70	(4)
Sundry	**44**	141	(97)
	1,107	1,151	(44)

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 Finance

Mr Gurpreet Grewal, Great Britain, since June 30, 2011 Managing Director Operations

Vivek Agarwal, London/UK, Managing Director Operations (until March 16, 2012)

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

Supervisory Board

The Company has 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 of Tech Mahindra Ltd.

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

The legal regulations are not applicable to the Company's Supervisory Board.

Employees

The average number of employees in the financial year was 159 (prior year: 153), of which all of them are salaried employees.

Other Financial Commitments

The other financial commitments result from tenancy agreements of EUR19 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 online at www.techmahindra.com.

Düsseldorf, Germany, 23 April 2012

Sonjoy Anand	**Gurpreet Grewal**
Managing Director	Managing Director

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Board of Directors

Mr. Sonjoy Anand

Mr. C. K. Krishnadas

Mr. Jagdish Mitra

Mr. Lim Tiong Beng

Registered Office

No. 1, Changi Business

Park Avenue 1 # 04-02

Ultro Building

Singapore 486058

Bankers

HSBC Limited

Auditors

Deloitte & Touche LLP,

Certified 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, 2012.

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	11,139	11,139
Mahindra & Mahindra Limited - Ultimate holding company	Ordinary shares of Indian Rupees 10 each	
Krishnadas Chillara	6,920	14,067

	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	2,700	25,000
Jagdish Mitra	15,750	30,750
Mahindra & Mahindra Limited - Ultimate holding company	Units of Indian Rupees 10 each	
Krisnadas Chillara	26,323	12,146

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTIONS

(a) 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 23, 2012

Statement of Directors

In the opinion of the directors, the, occompanying financial statements of the Company as set out on pages 7 to 28 are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 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

Sonjoy Anand

Date: May 23, 2012

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, 2012, 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 on pages 7 to 28.

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, 2012 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 23, 2012

STATEMENT OF FINANCIAL POSITION
March 31, 2012

	Note	2012	2011
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	**24,48,158**	22,98,806
Trade receivables	8	**19,88,214**	18,41,124
Other receivables and prepayments	9	**1,40,850**	96,776
Total current assets		**45,77,222**	42,36,706
Non-current asset			
Plant and equipment	10	**865**	1,533
Intangible Asset	11	10,80,000	**-**
Total assets		**56,58,087**	42,38,239
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	12	**12,92,425**	1,563
Other payables		**7,77,989**	8,99,763
Income tax payable		**59,315**	87,778
Total current liabilities		**21,29,729**	9,89,104
Non-current liability			
Deferred tax liability	13	**3,198**	3,312
Capital and reserves			
Share capital	14	**50,000**	50,000
Retained earnings		**34,75,160**	31,95,823
Total equity		**35,25,160**	32,45,823
Total liabilities and equity			
		56,58,087	42,38,239

See accompanying notes to financial statements

STATEMENT OF COMPREHENSIVE INCOME
Year ended March 31, 2012

	Note	2012	2011
		$	$
Revenue	15	**7,248,272**	14,111,032
Cost of Software Sold		**-**	(389,273)
Other operating income	16	**-**	32,362
Employee benefits expense		**(3,140,306)**	(5,734,755)
Depreciation expense	10	**(3,351)**	(16,882)
Other operating expenses	17	**(3,826,981)**	(7,532,493)
Profit before income tax	18	**277,634**	469,991
Income tax expense	19	**1,703**	(61,842)
Profit for the year representing total comprehensive income for the year		**279,337**	408,149

See accompanying notes to financial statements

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2012

	Share capital	Retained earnings	Total
	$	$	$
Balance at April 1, 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	3,195,823	3,245,823
Total comprehensive income for the year	-	279,337	279,337
Balance at March 31, 2012	**50,000**	**3,475,160**	**3,525,160**

See accompanying notes to financial statements

STATEMENT OF CASH FLOWS
Year ended March 31, 2012

	2012	2011
	$	$
Cash Flow from Operating activities		
Profit before income tax	**277,634**	469,991
Adjustments for:		
Allowance (Write-back) for doubtful debt	**550**	(17,661)
Depreciation expense	**3,351**	16,882
Operating cash flows before movements in working capital changes	**281,534**	469,212
Trade receivables	**(147,639)**	(43,188)
Other receivables and prepayments	**(44,074)**	81,778
Trade payables	**1,290,862**	1,563
Other payables	**(121,774)**	(155,422)
Cash generated from operations	**1,258,909**	353,943
Income tax paid	**(26,874)**	(49,792)
Net cash from operating activities	**1,232,035**	304,151
Cash Flow from Investing activities		
Purchase of plant and equipment	**(2,683)**	(4,483)
Purchase of intangible Asset	**(1,080,000)**	-
Net cash used in investing activities	**(1,082,683)**	(4,484)
Net Increase in cash and cash equivalents	**149,352**	299,667
Cash and cash equivalents at beginning of year	**2,298,806**	1,999,139
Cash and cash equivalents at end of year (Note 7)	**2,448,158**	2,298,806

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS
March 31, 2012

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, 2012 were authorised for issue by the Board of Directors on May 23, 2012.

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, 2011. 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, 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 NON-FINANCIAL 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.

Intangible assets with indefinite useful lives and Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may impaired.

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.

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 based on management's assessment of creditworthiness and the past collection history of each customer. 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.

	2012	2011
	$	$
Financial assets		
Loan and receivables (including cash and cash equivalents)	**4,528,355**	4,194,934
Financial liabilities		
At amortised cost	**2,075,806**	901,326

(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.

i) 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.

ii) Interest rate risk management

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

iii) Foreign currency risk management

The Company also transacts business in United States Dollar ("USD") 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:

	2012	2011
	$	$
Trade receivables	**36,744**	-

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:

	2012	2011
	$	$
Profit or loss	**3,674**	-

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.

iv) 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 2012 and 2011 are repayable on demand or due within 1 year from the end of the reporting period, and are non-interest bearing

. v) 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.

vi) 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:

	2012	2011
	$	$
Immediate holding company		
Rendering of services	**(4,916,869)**	(8,303,166)
Subcontract expense	**2,331,403**	5,807,867
Related company		
Purchase of software licence	**1,080,000**	-

6 RELATED PARTY TRANSACTIONS

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:

	2012	2011
	$	$
Short-term benefits	**2,000**	-
Total	**2,000**	-

7 CASH AND CASH EQUIVALENTS

	2012	2011
	$	$
Cash at banks	2,448,158	2,298,806

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

8 TRADE RECEIVABLES

	2012	2011
	$	$
Third parties	**715,464**	1,525,033
Less: Allowance for doubtful debts	**(239,473)**	(238,923)
Net	**475,991**	1,286,110
Immediate Holding company	**1,510,000**	555,014
Related parties	**2,223**	-
Total	**1,988,214**	1,841,124

The average credit period on services rendered ranges from 30 to 60 days. (2011 : 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:

	2012	2011
	$	$
Not past due and not impaired	**397,373**	577,856
Past due but not impaired (i)	**78,618**	708,254
	475,991	1,286,110
Impaired receivables - individually assessed (ii)	**239,473**	238,923
Less: Allowance for doubtful debts	**(239,473)**	(238,923)
Net trade receivables	**475,991**	1,286,110

(i) Aging of receivables that are past due over the average credit period of 60 days but not impaired:

	2012	2011
	$	$
61 to 90 days	**30,228**	550
> 91 days	**48,391**	707,704
Total	**78,618**	708,254

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

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

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

Movement in the allowance for doubtful debts:

	2012	2011
	$	$
Balance at beginning of year	**238,923**	256,584
Charge (Credit) to profit or loss (Note 15)	**550**	(17,661)
Balance at end of year	**239,473**	238,923

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

	2012	2011
	$	$
United States Dollars	**36,744**	-

9 OTHER RECEIVABLES AND PREPAYMENTS

	2012	2011
	$	$
Advances to employees	**17,545**	8,305
Prepayments	**48,867**	41,772
Others	**74,438**	46,699
Total	**140,850**	96,776

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

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

10 PLANT AND EQUIPMENT

	Equipment	**Renovation**	**Total**
	$	$	$
Cost:			
At April 1, 2010	360,397	236,032	596,429
Additions	4,484	-	4,484
At March 31, 2011	364,881	236,032	600,913
Additions	2,683	-	1,082,683
At March 31, 2012	**367,564**	**236,032**	**1,683,596**
Accumulated depreciation:			
At April 1, 2010	346,466	236,032	582,498
Depreciation	16,882	-	16,882

At March 31, 2011	363,348	236,032	599,380
Depreciation	3,351	-	3,351
At March 31, 2012	**366,699**	**236,032**	**602731**
Carrying amount:			
At March 31, 2012	**865**	**-**	**1,080,865**
At March 31, 2011	1,533	-	1,533

11 INTANGIBLE ASSET

On December 15, 2011, The Company entered into a Sales and Purchase agreement with a related company to purchase a software licence for a total cash consideration of $ 1,080,000 (Note 5). The software licence has finite economic useful life, over which the asset is amortised. The amortisation period is two years. Amortisation is not provided for in the year ended March 31, 2012 as the software was not in use during the current financial year.

12 TRADE PAYABLES

	2012	2011
	$	$
Third parties	**27,982**	1,563
Related parties	**1,264,443**	-
	1,292,425	1,563

The average credit period on purchases is 30 days (2011 : 30 days).

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

13 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, 2010 and March 31, 2011	(3,312)	-	(3,312)
Credit to profit or loss (Note 18)	114	-	114
At March 31, 2012	(3,198)	-	(3,198)

14 SHARE CAPITAL

	2012	2011	**2012**	2011
	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.

15 REVENUE

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

16 OTHER OPERATING INCOME

	2012	2011
	$	$
Doubtful debts written back (Note 8)	**-**	17,661
Job Credit Scheme	**-**	14,701
Total	**-**	32,362

17 OTHER OPERATING EXPENSES

	2012	2011
	$	$
Sub-contract cost:		
- Immediate holding company (Note 5)	**2,331,403**	5,807,867
- Third parties	**501,392**	366,880
Telephone charges	**296,013**	349,168
Travelling expense	**254,815**	332,391
Rental expense	**(16,919)**	204,000
Insurance expense	**69,477**	119,394
Staff welfare	**23,512**	83,753
Recruitment expense	**16,152**	74,522
Net foreign exchange loss	**13,919**	9,681
Entertainment expense	**9,831**	9,453
Others	**326,796**	175,384
Total	3,826,981	7,532,493

18 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived after charging:

	2012	2011
	$	$
Employee benefits expense (including directors' remuneration)	**3,140,306**	5,734,755
Directors' fees	**2,000**	2,000
Cost of defined contribution plans included in employee benefits expense	**106,075**	118,843

19 INCOME TAX EXPENSE

	2012	2011
	$	$
Current tax:		
Current year	**30,803**	61,842
Overprovision in prior year	**(32,392)**	-
Deferred tax (Note 12)	**(114)**	-
Total income tax expense	**(1,703)**	61,842

Domestic income tax expense is calculated at 17% (2011 : 17%) of the estimated assessable profit for the year. Tax for the year can be reconciled to the accounting profit as follows:

	2012	2011
	$	$
Profit before income tax	**277,633**	469,991
Income tax expense at statutory rate of 17% (2011 : 17%)	**47,198**	79,898
Tax effect expenses that are not deductible in determining taxable profit	**3,911**	8,049
Tax exempt income	**(25,925)**	(25,925)
Overprovision in prior year of current tax	**(32,392)**	-
Others	**5,506**	(180)
Total income tax (credit) expense	**(1,703)**	61,842

20 CONTINGENT LIABILITIES

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

	2012	2011
	$	$
Performance guarantees	**45,325**	259,219

20 OPERATING LEASE COMMITMENTS

(a) The lessee

	2012	2011
	$	$
Minimum lease payments under operating lease recognised as an expense in the year	108,793	182,659

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

	2012	2011
	$	$
Within one year	**-**	182,659
In the second to fifth year inclusive	**-**	91,330
Total	-	273,989

Operating lease payments represent rentals payable by the Company for its office premises. Leases are negotiated for an average term of 3 years (2011 : 3 years) and rentals are fixed for an average of 3 years (2011 : 3 years).

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. C. P. Gurnani

Mr. C. K. Krishnadas

Mr. Jagdish Mitra

Mr. Sonjoy Anand

Registered Office

999/9, Unit No. 2972, 29th Floor,

The Offices at Central World, Rama I Road,

Phatumwan, Bangkok 10330

Thailand

Bankers

HSBC 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, 2012.

Financial Results

For the year ended March 31,	2012THB	2012 INR	2011THB	2011 INR
Income	**2,356,411**	**3,935,207**	3,452,462	5,765,611
Profit/(Loss) before tax	**(869,773)**	**(1,452,521)**	183,032	305,663
Profit/(Loss)after tax	**(869,773)**	**(1,452,521)**	183,032	305,663

Review of Operations:

The income for the year has decreased by THB 1,096,051 (equivalent to ₹ 1,830,404) over previous year. The profit has declined by THB 1,052,805 (equivalent to ₹ 1,758,184).

Directors:

There are no changes 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 : April 20, 2012

Report of the Independent Auditor

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

I have audited the accompanying statements of financial position of Tech Mahindra (Thailand) Ltd. as at March 31, 2012 and 2011, and the related statements of income and changes in equity for the years then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the 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 audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Tech Mahindra (Thailand) Ltd. as at March 31, 2012 and 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
April 20, 2012

Statements of Financial Position as at March 31, 2012 and 2011

(Exchange rate 1 Baht = 1.67 INR)

ASSETS		2012		2011 (Restated)	
	Note	Baht	₹	Baht	₹
CURRENT ASSETS					
Cash and cash equivalents	4	**5,126,471**	**8,561,206**	5,113,421	8,539,413
Trade accounts receivable		**-**	**-**	3,578,559	5,976,193
Amount due from related companies	8	**2,376,133**	**3,968,143**	49,636	82,891
Other current assets		**47,796**	**79,820**	1,198,999	2,002,329
TOTAL CURRENT ASSETS		**7,550,400**	**12,609,169**	9,940,615	16,600,826
NON - CURRENT ASSETS					
Equipment	5	**5,696**	**9,512**	22,448	37,489
TOTAL NON – CURRENT ASSETS		**5,696**	**9,512**	22,448	37,489
TOTAL ASSETS		**7,556,096**	**12,618,681**	9,963,063	16,638,315

LIABILITIES AND EQUITY		2012		2011 (Restated)	
	Note	Baht	₹	Baht	₹
CURRENT LIABILITIES					
Amount due to related company	8	**-**	**-**	553,295	924,002
Accrued expenses		**278,657**	**465,357**	119,432	199,451
Other current liabilities		**234,586**	**391,759**	291,871	487,425
TOTAL CURRENT LIABILITIES		**513,243**	**857,116**	964,598	1,610,878
TOTAL LIABILITIES		**513,243**	**857,116**	964,598	1,610,878
EQUITY					
Share capital	6				
Registered		**5,000,000**	**8,350,000**	5,000,000	8,350,000
Issued and paid-up share capital		**5,000,000**	**8,350,000**	5,000,000	8,350,000
Retained earnings					
Unappropriated		**2,042,853**	**3,411,565**	3,998,465	6,677,437
TOTAL EQUITY		**7,042,853**	**11,761,565**	8,998,465	15,027,437
TOTAL LIABILITIES AND EQUITY		**7,556,096**	**12,618,681**	9,963,063	16,638,315

These financial statements were approved at the directors meeting of TECH MAHINDRA (THAILAND) LIMITED dated on April 20, 2012

Director

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

Statements of income for the years ended March 31, 2012 and 2011

(Exchange rate 1 Baht = 1.67 INR)

		2012		2011	
	Note	Baht	₹	Baht	₹
INCOME					
Revenue from rendering of services	8	**2,356,411**	**3,935,207**	3,418,774	5,709,353
Other income		**-**	**-**	33,688	56,258
TOTAL INCOME		**2,356,411**	**3,935,207**	3,452,462	5,765,611
EXPENSES					
Cost of rendering of services	8	**258,750**	**432,113**	947,569	1,582,440
Administrative expenses		**2,967,434**	**4,955,615**	2,321,861	3,877,508
TOTAL EXPENSES		**3,226,184**	**5,387,728**	3,269,430	5,459,948
PROFIT (LOSS) FOR THE YEAR		**(869,773)**	**(1,452,521)**	183,032	305,663

Statements of changes in Equity for the year ended March 31, 2012 and 2011

(Exchange rate 1 Baht = 1.67 INR)

	Note	Baht			₹		
		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 April 1, 2010		5,000,000	3,815,433	8,815,433	8,350,000	6,371,773	14,721,773
Profit for the year		-	183,032	183,032	-	305,664	305,664
Balance as at March 31, 2011		5,000,000	3,998,465	8,998,465	8,350,000	6,677,437	15,027,437
Correction of error – result from adjustment of corporate income tax	9	-	(1,085,839)	(1,085,839)	-	(1,813,352)	(1,813,352)
Loss for the year		-	(869,773)	(869,773)	-	(1,452,521)	(1,452,521)
Balance as at March 31, 2012		**5,000,000**	**2,042,853**	**7,042,853**	**8,350,000**	**3,411,564**	**11,761,564**

Director

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

Notes to the financial statements for the years ended March 31, 2012 and 2011

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on April 20, 2012.

1. GENERAL INFORMATION

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

The company's major shareholder during the financial year was Tech Mahindra Ltd. (99.99% shareholding) which was incorporated in India.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) promulgated by the Federation of Accounting Professions (FAP) during 2011. The adoption of these TFRS for NPAEs has resulted in changes in the Company's accounting policies. The effects of those changes have had no significant impact on the Company's financial statements.

The financial statements are prepared and presented in Thai Baht. They are prepared on the historical cost basis except as stated in the accounting policies.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency amounts are translated for convenience into Indian Rupees at the exchange rate at Baht 1 equal to ₹ 1.67 which is the group reporting as at March 31, 2012.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Computer equipment	5 years

Revenue

Revenue excludes value added taxes and other sales taxes, and is arrived at after deduction of trade discounts.

Revenue from rendering of services

Service income is recognised as services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4. CASH AND CASH EQUIVALENTS

	Baht	
	2012	**2011**
Cash at banks – current accounts	5,126,471	5,113,421

5. EQUIPMENT

	Baht	
	Computer equipment	**Total**
Cost		
At April 1, 2010	107,472	107,472
Additions	-	-
Disposals	-	-
At March 31, 2011	107,472	107,472
At April 1, 2011		
Additions	-	-
Disposals	-	-
At March 31, 2012	**107,472**	**107,472**

	Baht	
	Computer equipment	**Total**
Depreciation		
At April 1, 2010	63,544	63,544
Depreciation charge for the year	21,480	21,480
At March 31, 2011	85,024	85,024
At April 1, 2011		
Depreciation charge for the year	16,752	16,752
At March 31, 2012	101,776	101,776
Net book value		
At March 31, 2011	22,448	22,448
At March 31, 2012	**5,696**	**5,696**

6. SHARE CAPITAL

	Par value per share (in Baht)	**2012**		**2011**	
		Number	**Baht**	**Number**	**Baht**
Authorised					
At 1 April					
- Ordinary shares	100	50,000	5,000,000	50,000	5,000,000
At March 31,					
- Ordinary shares	100	50,000	5,000,000	50,000	5,000,000
Issued and paid-up					
At April 1,					
- Ordinary shares	100	50,000	5,000,000	50,000	5,000,000
At March 31, - Ordinary shares	**100**	**50,000**	**5,000,000**	**50,000**	**5,000,000**

7. PROMOTIONAL PRIVILEGES

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

1. Exemption from payment of import duties on machinery as be approved by the Board of Investment.
2. Exemption from payment of corporate income tax on the net profits derived from the promoted activity for the period of eight years from the first derived from the

promoted activity on December 15, 2005.

3. Exemption from payment of import duties on the raw and essential materials imported for use specifically in producing for export for a period of one year from the date of first import.

4. Exemption from payment of import duties on items that the Company imports for re-export for a period of one year from the date of first import.

8. RELATED PARTY TRANSACTIONS

The movement of related party transactions with related company for the year ended March 31, 2012 and 2011 were as follow:

	Baht	
	2012	**2011**
Tech Mahindra Limited		
Opening balance receivable/ (payable)	(503,659)	(1,650,726)
Service income	2,097,661	2,797,795
Cost of services	(258,750)	(441,162)
Other reimbursement – net	146,836	(71,559)
Payments	812,045	7,860,992
Collections	-	(8,998,999)
Closing balance receivable/ (payable)	2,294,133	(503,659)

	Baht	
	2012	**2011**
Canvas M Technologies Limited		
Opening balance receivable/ (payable)	-	-
Other reimbursement – net	82,000	-
Closing balance receivable/ (payable)	82,000	-

9. PRIOR PERIOD ADJUSTMENTS

The Company had recorded prior period corporate income tax for the year ended March 31, 2008 to March 31, 2011 amounting to Baht 1,085,839 in the current financial year April 1, 2011 to September, 30 2011. However, the effects of such adjustment have been adjusted with the brought forward deficit for the period ended March 31, 2011.

PT TECH MAHINDRA INDONESIA

Board of Directors

Mr. Jagdish Mitra - President

Mr. C. K. Krishnadas

Mr. Milind Kulkarni

Mr. Vivek Mahendru

Registered Office

Ariobimo Sentral 4th Flr.

Suite # 403, Jl. H. R. Rasuna Said

Kav x-2, No. 5,

Jakarta 12950,

Indonesia

Bankers

HSBC Bank

Auditors

Kosasih, Nurdiyaman, T Jahjo & Rekan

DIRECTORS’ REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2012.

Financial Results (US$)

For the year ended March 31,	2012 US $	2012 ₹	2011 US $	2011 ₹
Income	23,097,273	1,178,191,875	21,790,394	1,111,528,005
Profit/(Loss) before tax	1,143,987	58,354,753	3,735,625	190,554,243
Profit/(Loss)after tax	793,058	40,453,904	2,565,688	130,875,751

Review of Operations:

During the year under review, your Company recorded an income of US$ 23,097,273 (equivalent to ₹ 1,178,191,875) an increase of 6% over the previous year. Profit after tax was US$ 793,058 (equivalent to ₹ 40,453,904), decrease of US$ 69.09% over the last year. The Company continues to invest in strengthening its marketing infrastructure in Indonesia

Directors:

During the year under review, Mr. Vivek Mahendru has been appointed as director of the Company.

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

Jagdish Mitra
Director

Pune, April 30, 2012

BOARD OF DIRECTORS' STATEMENT REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 PT TECH MAHINDRA INDONESIA

We the undersigned:

1. Name : Jagdish Mitra
   Office address : A 20, Sector 60, Noida
   Telephone : 0120-4008900
   Title : President Director

2. Name : Milind Kulkarni
   Office address : Rajiv Gandhi Infotech Park, Hinjewadi, Pune 411 057, INDIA
   Telephone : +91 020 42250000
   Title : Director

Declare that:

1. We are responsible for the preparation and presentation of PT Tech Mahindra Indonesia financial statements;

2. PT Tech Mahindra Indonesia financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. All information in the PT Tech Mahindra Indonesia financial statements has been disclosed in a complete and truthful manner;

   PT Tech Mahindra Indonesia financial statements do not contain any incorrect information or non-material fact, nor do they omit information or material fact;

4. We are responsible for PT Tech Mahindra Indonesia internal control system;

Thus this statement is made truthfully.

Jakarta, April 30, 2012
PT Tech Mahindra Indonesia

For and on behalf of the Board of Directors

Jagdish Mitra	Milind Kulkarni
Direktur Utama	Direktur

INDEPENDENT AUDITORS' REPORT

Report No. KNT&R-0210/12

The Stockholders, Boards of Commissioners and Directors

PT TECH MAHINDRA INDONESIA

We have audited the statements of financial position of PT Tech Mahindra Indonesia (the "Company") as of March 31, 2012 and 2011, and the related statements of comprehensive 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 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, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with Indonesian Financial Accounting Standards.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and convenience of the ultimate holding company and is not a required part of the basic financial statements. The audited financial statements and the accompanying notes thereto have been translated into Indian Rupee on the basis described in Schedule A of the Supplementary Information which does not conform to Indonesian Financial Reporting Standards. Accordingly, we do not express an opinion thereon.

KOSASIH, NURDIYAMAN, TJAHJO & REKAN

Drs. Nunu Nurdiyaman, CPA.
Public Accountant License No.AP.0269

April 30, 2012

The accompanying financial statements are not intended to present the financial position, results of operations 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.

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2012 AND 2011

(Expressed in US Dollar, unless otherwise stated)

	Notes	2012	2011
ASSETS			
CURRENT ASSETS			
Cash on hand and in bank	2, 4, 20, 21	**3,412,072.76**	1,643,836.00
Trade receivables - net	2, 5, 19, 20	**8,870,218.29**	8,103,446.64
Prepaid tax	2, 11	**212,628.63**	113,553.49
Prepaid expenses and advances	2, 6	**808,392.47**	895,189.38
Total Current Assets		**13,303,312.15**	10,756,025.51
NON-CURRENT ASSETS			
Deferred tax assets	2, 11	**223,654.55**	23,568.05
Estimated claims for tax refund	2, 11	**379,765.80**	-
Fixed assets - net of accumulated depreciation of USD 166,278.91 in March 31, 2012 and USD 143,972.41 in March 31, 2011	2, 7	**29,540.45**	50,108.14
Total Non-Current Assets		**632,960.80**	73,676.19
TOTAL ASSETS		**13,936,272.95**	10,829,701.70
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payables	2, 8, 17,20, 21		
Third parties		**1,405,981.04**	1,070,079.43
Related parties		**3,678,720.27**	1,996,913.00
Accrued expenses	2, 9, 20	**90,721.31**	56,485.40
Taxes payable	2, 11	**110,278.22**	737,064.56
Other payables	2, 10, 20	**1,298,431.22**	488,690.74
Total Current Liabilities		**6,584,132.06**	4,349,233.13
NON - CURRENT LIABILITY			
Employee benefits liability	2, 12	**171,851.00**	93,237.00
TOTAL LIABILITIES		**6,755,983.06**	4,442,470.13
STOCKHOLDERS' EQUITY			
Capital stock - USD 1 par value per share			
Authorized - 1,000,000 shares			
Issued and fully paid - 500,000 shares	13	**500,000.00**	500,000.00
Retained earnings	13	**6,680,289.89**	**5,887,231.57**
Total Stockholders' Equity		**7,180,289.89**	6,387,231.57
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**13,936,272.95**	**10,829,701.70**

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

STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED MARCH 31, 2012 AND 2011

(Expressed in US Dollar, unless otherwise stated)

	Notes	2012	2011
REVENUE	2, 14	**23,133,157.82**	21,873,920.04
COST OF REVENUE	2, 15	**13,013,893.75**	9,522,803.92
GROSS PROFIT		**10,119,264.07**	12,351,116.12
OPERATING EXPENSES	2, 16	**8,939,392.30**	8,531,965.00
INCOME FROM OPERATIONS		**1,179,871.77**	3,819,151.12
OTHER INCOME (CHARGES)	2		
Loss on foreign exchange - net		**(80,344.91)**	(93,102.83)
Interest income		**979.18**	953.91
Others		**43,480.50**	8,623.02
Other Charges - Net		**(35,885.23)**	(83,525.90)
INCOME BEFORE INCOME TAX BENEFIT (EXPENSE)	11	**1,143,986.54**	3,735,625.22
INCOME TAX BENEFIT (EXPENSE)			
Current	2, 11	**(551,014.72)**	(1,183,393.39)
Deferred		**200,086.50**	13,456.30
NET INCOME		**793,058.32**	2,565,688.13
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**793,058.32**	2,565,688.13

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY YEARS ENDED MARCH 31, 2012 AND 2011

(Expressed in US Dollar, unless otherwise stated)

	Notes	Capital Stock	Retained Earnings	Total Stockholders' Equity
Balance as of April 1, 2010		500,000.00	3,321,543.44	3,821,543.44
Total comprehensive income		-	2,565,688.13	2,565,688.13
Balance as of April 1, 2011	13	500,000.00	5,887,231.57	6,387,231.57
Total comprehensive income		-	793,058.32	793,058.32
Balance as of March 31, 2012		**500,000.00**	**6,680,289.89**	**7,180,289.89**

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

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2012 AND 2011

(Expressed in US Dollar, unless otherwise stated)

	Notes	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive income		**793,058.32**	2,565,688.13
Adjustments to reconcile net income to			
net cash provided by operating activities:			
Depreciation	7	**22,306.50**	35,805.98
Deferred tax assets		**(200,086.50)**	(13,456.30)
Employee benefits		**78,614.00**	52,790.00
Changes in operating assets and liabilities:			
Trade receivables		**(766,771.65)**	(193,255.76)
Other receivables		**(6,446.79)**	51,280.01
Advances to suppliers		**15,360.00**	(106,067.79)
Advances to employees		**(7,948.62)**	278,264.38
Prepaid tax and expenses		**(13,242.82)**	168,140.96
Trade payables		**2,586,667.31**	(1,548,113.35)
Other payables		**240,781.90**	(686,926.26)
Taxes payable		**(626,786.34)**	75,371.55
Accrued expenses		**34,236.06**	(239,721.88)
Estimated claims for tax refund		**(379,765.80)**	285,729.64
Net Cash Provided by Operating Activities		**1,769,975.57**	725,529.31
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of fixed assets	7	**(1,738.81)**	(5,249.42)
NET INCREASE IN CASH ON HAND AND IN BANK		**1,768,236.76**	720,279.89
CASH ON HAND AND IN BANK AT THE BEGINNING OF THE YEAR		**1,643,836.00**	923,556.11
CASH ON HAND AND IN BANK AT THE END OF THE YEAR	4	**3,412,072.76**	1,643,836.00

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2012 AND 2011

(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 No. 62 by Kasir SH dated March 23, 2006. The Company's Articles of Association was approved by the Ministry of Law and Human Rights in its Decision Letter No. C-11861HT.01.01 dated April 25, 2006. The Company's Articles of Association has been amended several times, the latest amendment of which was made under Notarial Deed No.19 dated August 13, 2008 by Siti Sa farijah, S.H., to comply with Law No. 40 Year 2007 concerning limited liability company and changes in the Boards of Commissioners and Directors. The amendment was approved by the Ministry of Law and Human Rights under Decree No. AHU-62134.01.02.Year 2008 dated December 12, 2008.

According to the Articles of Association, the Company's scope of activities consists of telecommunications and business consulting services. The Company is currently engaged in providing Billing and Customer Care System Managed Services to PT Hutchison CP Telecommunication and to other companies, as disclosed in Note 18.

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 accompanying financial statements were completed and authorized for issue by the Company's management on April 30, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with Financial Accounting Standards ("SAK") in Indonesia, which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants. As disclosed further in the relevant succeeding notes, several amended and published accounting standards were adopted effective April 1, 2011.

The financial statements of the Company for the year ended March 31, 2012 have been prepared in accordance with PSAK No. 1 (Revised 2009), "Presentation of Financial Statements".

PSAK No. 1 (Revised 2009) regulates presentation of financial statements as to, among others, the objective, component of financial statements, fair presentation, materiality and aggregate, offsetting, distinction between current and non-current assets and short-term and long-term liabilities, comparative information and consistency and introduces new disclosures such as, among others, key estimation and judgments, capital management, other comprehensive income, departures from accounting standards and statement of compliance.

The adoption of PSAK No. 1 (Revised 2009) have significant impact on the related disclosures in the financial statements.

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended March 31, 2011, except for the adoption of several amended SAK effective April 1, 2011 as mentioned above.

The financial statements have been prepared on the accrual basis using the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies of each account as disclosed in the relevant notes to the financial statements.

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

The reporting currency used in the preparation of the financial statements is the United States Dollar (US Dollar).

The Company maintains its books in US Dollar and has obtained approval from the Ministry of Finance No. KEP-208/PJ.42/2006 dated July 25, 2006.

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) 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) 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.

The Company's financial assets consist of cash on hand and in bank, trade receivables, advances to employees and rental deposits classified as loans and receivables.

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.

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 profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process.

(ii) Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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

Recognition and Measurement

Financial liabilities are recognized initially at fair value.

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. Gains and losses are recognized in the profit or loss 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 statements of financial position 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 flow 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 the end of each reporting period 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 amortized 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 profit or loss. 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 account. Such receivable are written-off after all the necessary procedures have been completed and the amount of the loss has been determined.

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 impairment. The amount of the reversal is recognized in the profit or loss.

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

(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.

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 profit or loss.

Prepaid Expenses

Prepaid expenses are amortized and charged to operations 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 end of the reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The cost of maintenance and repairs is charged to profit or loss 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 profit or loss.

Impairment of Non-financial Assets

Effective April 1, 2011, the Company prospectively adopted PSAK No. 48 (Revised 2009), “Impairment of Assets”.

PSAK No. 48 (Revised 2009) prescribes the procedures to be employed by an entity to ensure that its assets are carried at no more than their recoverable amount. An assets is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the assets. If this is the case, the asset is described as impaired and this revised PSAK requires the entity to recognize an impairment loss. This revised PSAK also specifies when an entity should reverse an impairment loss and prescribes disclosures.

The adoption of PSAK No. 48 (Revised 2009) has no significant impact on the financial reporting except for the related disclosure.

The Company assesses at each end of the reporting period whether there is an indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount.

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 the end of the reporting period, monetary assets and liabilities denominated in currencies other than US Dollar are adjusted to reflect the 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 Dollar are recognized in the profit or loss.

The exchange rates used for translation into US Dollar as of March 31, 2012 and March 31, 2011 were Rp 9,180.00 and Rp 8,709.00, respectively.

Revenue and Expense Recognition

Effective April 1, 2011, the Company adopted PSAK No. 23 (Revised 2010), “Revenue”. This revised PSAK identifies the circumstances in which the criteria on revenue recognition will be met and, therefore, revenue may be recognized, and prescribes the accounting treatment of revenue arising from certain types of transactions and events, and also provides practical guidance on the application of the criteria on revenue recognition. The adoption of this revised PSAK has no significant impact on the financial statements.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes (VAT).

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

The following specific recognition criteria must also be met before revenue and expense are recognized:

Rendering of services

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

Expenses are recognized when incurred (accrual basis).

Transactions with Related Parties

Effective April 1, 2011, the Company applied PSAK No. 7 (Revised 2010), "Related Party Disclosures". The revised PSAK requires disclosure of related party relationships, transactions and outstanding balances. There is no significant impact of the adoption of the revised PSAK on the financial statements.

A party is considered to be related to the Company if:

a. Directly or indirectly through one or more intermediaries, the party (i) controls, or is controlled by, or is under common control with the Company; (ii) has an interest in the Company that gives significant influence over the Company; or (iii) has joint control over the Company;
b. The party is an associate of the Company;
c. The party is a joint venture in which the Company is a venturer;
d. The party is a member of the key management personnel of the Company or its parent;
e. The party is a close member of the family of any individual referred to (a) or (d);
f. The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (d) or (e); or
g. The party is a post employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the Company.

   The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those transactions with unrelated parties.

   All significant transactions and balances with related parties are disclosed in Note 17.

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 end of the reporting period. 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 the end of the reporting period. 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 dated 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 benefit payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Adoption of Other Revised Accounting Standards

Other than the revised accounting standards previously mentioned, the Company also adopted the following revised accounting standards on April 1, 2011, which are considered relevant to the financial statements but did not have significant impact:

1. PSAK No. 2 (Revised 2009) "Statement of Cash Flows",
2. PSAK No. 8 (Revised 2010) "Events After the Reporting Period", and
3. PSAK No. 25 (Revised 2009) "Accounting Policies, Changes in Accounting Estimates and Errors".

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimations and assumptions that affect reported amounts herein. Due to inherent uncertaintly in making these estimates and assumptions, actual results reported in future periods may differ from those estimates.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

(i) Classification of financial assets and financial liabilities

   The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2006). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2.

(ii) Allowance for impairment of trade receivables

   The Company evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company uses judgment, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on any available third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Company expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment accounts. The carrying amount of the Company's trade receivables before allowance for impairment as of March 31, 2012 and 2011 are USD 9,570,364.94 and USD 8,104,167.79, respectively (Note 5).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjusment to the carrying amounts of assets and liabilities within the next financial period are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions as they occur.

(i) Pension and employee benefits

The determination of the Company's obligations and cost for pension and employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rate, annual salary increase rate, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions which effect are more than 10% of the defined benefit obligations are deferred and being amortized on a straight-line basis over the expected average remaining services years of the qualified employees. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the Company's estimated liabilities for employee benefits as of March 31, 2012 and 2011 are USD 171,851.00 and USD 93,237.00, respectively (Note 12).

(ii) Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management properly estimates the useful lives of these fixed assets to be 4 years. These are common life expectancies applied in the industries where the Company conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net book value of the Company's fixed assets as of March 31, 2012 and 2011 are USD 29,540.45 and USD 50,108.14, respectively (Note 7).

(iii) Income tax

Significant judgment is involved in determining provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

4. CASH ON HAND AND IN BANK

The details of this account are as follows:

	2012	2011
Cash on hand	**2,396.75**	3,258.34
Cash in bank		
The Hongkong and Shanghai Banking Corporation		
US Dollar	**3,348,551.61**	1,492,114.19
Rupiah - Rp 561,121,998.00 in 2012 and Rp 1,292,968,360.00 in 2011	**61,124.40**	148,463.47
Total	**3,412,072.76**	1,643,836.00

5. TRADE RECEIVABLES

This account consists of:

	2012	2011
Third parties		
PT Hutchison CP Telecommunication	**6,790,883.47**	6,161,510.43
PT Badak Natural Gas Liquefaction	**1,287,000.00**	-
PT AXIS Telekom Indonesia	**1,054,986.48**	1,711,941.61
PT Hero Supermarket Tbk	**377,387.10**	-
PT Mitra Integrasi	**30,399.00**	-
PT DC Solutions	**28,987.74**	-
PT Konsulindo Informatika Perdana	**721.15**	721.15
PT Kaltim Nitrate Indonesia	**-**	229,994.60
Total	**9,570,364.94**	8,104,167.79
Allowance for impairment	**(700,146.65)**	(721.15)
Net	**8,870,218.29**	8,103,446.64

The aging analysis of the trade receivables are as follows:

	2012	2011
Less than 30 days	**6,120,003.34**	3,248,561.14
31 days to 60 days	**425,930.79**	1,222,330.03
61 days to 90 days	**2,322,048.80**	1,896,996.82
More than 90 days	**702,382.01**	1,736,279.80
Total	**9,570,364.94**	8,104,167.79
Allowance for impairment	**(700,146.65)**	(721.15)
Net	**8,870,218.29**	8,103,446.64

The movements of the allowance for impairment:

	2012	2011
Beginning balance	**721.15**	-
Provision during the year (Note 16)	**699,425.50**	721.15
Ending balance	**700,146.65**	721.15

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

6. PREPAID EXPENSES AND ADVANCES

The details of this account are as follows:

	2012	2011
Rental software	**391,105.68**	482,329.00
Advances to suppliers	**198,118.10**	213,478.10
Advances to employees	**181,468.82**	173,520.20
Rental deposits	**14,258.24**	12,116.96
Others	**23,441.63**	13,745.12
Total	**808,392.47**	895,189.38

7. FIXED ASSETS

2012	**Beginning**	**Additions**	**Deductions**	**Ending**
Cost				
Computer	**194,080.55**	**1,738.81**	**-**	**195,819.36**
Accumulated Depreciation				
Computer	143,972.41	22,306.50	-	166,278.91
Net Book Value	**50,108.14**			**29,540.45**

2011	**Beginning**	**Additions**	**Deductions**	**Ending**
Cost				
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

In 2012 and 2011, depreciation charged to operations amounted to USD 22,306.50 and USD 35,805.98, respectively (Note 16).

The Company's fixed 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 fixed assets as of March 31, 2012 and March 31, 2011.

8. TRADE PAYABLES

The details of this account are as follows:

	2012	2011
Third Parties		
Comviva Technologies Ltd	**259,460.00**	227,648.00
PT Mitra Integarasi	**200,071.39**	19,868.71
Intec Systems (Asia) Sdn Bhd	**170,490.00**	259,329.46
Elite Technologies Ltd	**135,150.20**	11,587.00
PT Focus Com	**124,766.89**	62,893.73
Openet Telcom Malaysia Sdn Bhd	**85,267.32**	57,487.92
PT Convergys Indonesia	**64,330.90**	64,330.90
Subex Azure Ltd	**52,054.83**	39,237.43
PT Berca Hardaya Perkasa	**34,775.17**	38,544.22
6D Technologies	**34,643.35**	19,873.75
PT Amanja Mega Persada	**31,845.00**	-
Tibco Software Inc	**25,270.00**	25,270.00
PT Anabatic Technologies	**24,419.52**	-
VIZ Sector Consultant	**22,173.89**	22,173.89
PT Astra Graphia Tbk (Xprint)	**17,399.47**	11,763.43
PT Oracle Indonesia	**17,190.44**	16,602.37
PT Techking Enterprises Indonesia	**17,009.92**	-
HQ Global Workplaces	**12,467.60**	13,592.83
Tectacle Technologies MSC	**12,083.98**	2,000.00
Bharti Telesoft Ltd	**8,440.00**	8,440.00
PT Rasuna Residence Development (Aston Rasuna)	**8,319.88**	3,362.28
Landsat Communication Pte, Ltd	**8,000.00**	8,000.00
PT Madawani Mandiri	**7,128.00**	7,128.00
PT Datacraft Indonesia	**6,046.75**	6,046.75
Tiendas Law Offices	**4,472.30**	3,748.70
CIBA	**3,731.98**	15,665.98
Allianz	**3,528.24**	2,019.86
Infogain Systems Pvt Ltd	**3,300.00**	3,300.00
PT Iditya Putra	**1,926.22**	1,926.22
PT Arsena Solusindo	**1,751.01**	1,751.01
PT Sumber Daya Info Prima	**1,238.18**	1,238.18
PT Aero Globe Indonesia (Aerotravel)	**1,101.47**	-
Price Waterhouse Coopers	**-**	63,720.00
Others	**6,127.14**	51,528.81
	1,405,981.04	1,070,079.43
Related Parties (Note 17)	**3,678,720.27**	1,996,913.00
Total	**5,084,701.31**	3,066,992.43

9. ACCRUED EXPENSES

The details of this account are as follows:

	2012	2011
Payables to employees	**28,528.59**	20,348.44
Medical claims	**27,651.02**	3,855.53
Salaries	**30,468.75**	32,281.43
Travel	**4,072.95**	-
Total	**90,721.31**	56,485.40

10. OTHER PAYABLES

The details of this account are as follows:

	2012	2011
Provision for expenses (Note 17)	**1,142,851.58**	333,436.78
Leave encashment liabilities	**155,579.64**	155,253.96
Total	**1,298,431.22**	488,690.74

11. TAXATION

This account consists of:

a. Prepaid tax

As of Mach 31, 2012 and March 31, 2011, prepaid tax amounting to USD 212,628.63 and USD 113,553.49, respectively, pertains to VAT on import purchases.

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

b. Taxes payable

	2012	2011
Income taxes:		
Article 4 (2)	**349.56**	72.65
Article 21	**95,673.98**	72,665.06
Article 23	**5,879.98**	116,298.33
Article 26	**8,374.70**	-
Article 29	**-**	548,028.52
Total	**110,278.22**	737,064.56

c. Current income tax expense

Reconciliation between income before income tax expense, as shown in the statements of comprehensive income and estimated taxable income for the years ended March 31, 2012 and March 31, 2011 are as follows:

	2012	2011
Income before income tax expense per statements of comprehensive income	**1,143,986.54**	3,735,625.22
Permanent differences:		
Insurance	**149,397.81**	110,927.57
Rent	**23,390.80**	29,728.15
Communication	**41,269.81**	28,124.04
Meals	**17,376.65**	17,745.27
Staff welfare	**14,667.49**	10,541.51
Income already subjected to final income tax:		
Interests on bank balance	**(979.18)**	(953.91)
Salaries	**-**	304,604.39
Entertainment	**-**	8,017.44
Fiscal	**-**	829.32
Income tax	**-**	32,870.72
Other	**14,602.99**	401,688.65
Temporary differences:		
Provision for impairment	**699,425.50**	721.15
Employee benefits	**78,614.00**	52,790.00
Depreciation	**22,306.49**	314.03
Total	**1,060,072.36**	997,948.33
Estimated taxable income	**2,204,058.90**	4,733,573.55

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 exchange rate for the years ended March 31, 2012 and March 31, 2011 which are Rp 9,164.00 and Rp 8,720.20, respectively, to 1 US Dollar.

The computation of income tax expense - current and estimated claim for tax refund for the years ended March 31, 2012 and 2011, are as follows:

	2012	2011
Estimated taxable income	**2,204,058.90**	4,733,573.55
Current income tax expense	**551,014.72**	1,183,393.39
Prepayments of income tax:		
Withholding tax article 23	**(387,717.14)**	(426,555.96)
Advance tax	**(543,063.38)**	(208,808.91)
Income tax payable (Claim for tax refund)	**(379,765.80)**	548,028.52

d. Deferred income tax benefits

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

	2012	2011
Employee benefits	**19,653.50**	13,197.50
Provision for impairment	**174,856.37**	180.29
Depreciation	**5,576.63**	78.51
Total	**200,086.50**	13,456.30

e. Deferred tax assets

	2012	2011
Employee benefits	**42,962.75**	23,309.25
Provision for impairment	**175,036.66**	180.29
Depreciation	**5,655.14**	78.51
Total	**223,654.55**	23,568.05

12. EMPLOYEE BENEFITS

The Company provides post-retirement employee benefits program in the form of severance and gratuity in accordance to labor regulation in Indonesia (Labor Law No. 13/2003 dated March 25, 2003).

The following tables summarize the components of employee benefits expense recognized in the statements of comprehensive income and employee benefits liability recognized in the statements of financial position, as determined by PT Padma Radya Aktuaria, an independent actuary in its report date April 13, 2012 for 2012 and April 4, 2011 for 2011.

a. Net employee benefits expense:

	2012	2011
Current service cost	**80,357.00**	85,388.00
Interest cost	**7,052.00**	5,266.00
Actuarial losses	**-**	446.00
Effect of curtailment/settlement	**-**	(42,421.00)
Forex loss	**(8,795.00)**	4,111.00
Total	**78,614.00**	52,790.00

12. EMPLOYEE BENEFITS (continued)

b. Employee benefits expense:

	2012	2011
Present value of defined benefit obligation	**163,660.00**	92,306.00
Actuarial gain (loss) not recognized in the statements of financial position	**8,191.00**	931.00
Total	**171,851.00**	93,237.00

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

	2012	2011
Balance at the beginning of the year	**93,237.00**	40,447.00
Additional expense for the current year	**78,614.00**	52,790.00
Total	**171,851.00**	93,237.00

The principal assumptions used in determining the employee benefits liability as of March 31, 2012 and 2011 are as follow:

	2012	2011
Discount rate	**6.25%**	8.00%
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

13. CAPITAL SOCK

The details of the Company's stockholders as of March 31, 2012 and 2011 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**

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize stockholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes as of March 31, 2012 and 2011.

The capital considered by the Company consists of the following:

	2012	2011
Capital stock	**500,000.00**	500,000.00
Retained earnings	**6,680,289.89**	5,887,231.57
Total	**7,180,289.89**	6,387,231.57

14. REVENUE

The details of this account are as follows:

	2012	2011
PT Hutchinson CP Telecommunications	**17,308,524.78**	17,238,674.22
PT Axis Telekom Indonesia	**3,819,812.22**	4,069,354.48
PT Badak Natural Gas Liquefaction	**1,200,000.00**	-
PT Hero Supermarket Tbk	**564,810.00**	-
PT Kaltim Nitrate Indonesia	**217,361.00**	107,058.00
PT DC Solutions	**22,649.82**	-
PT Mitra Integrasi	**-**	456,050.00
PT Telkom Tbk	**-**	2,783.34
Total	**23,133,157.82**	21,873,920.04

15. COST OF REVENUE

This account represents the costs incurred in developing the billing and customer care system which consist of hardware, software and services. In 2012 and 2011, cost of revenue amounted to USD 13,013,893.75 and USD 9,522,803.92, respectively.

16. OPERATING EXPENSES

	2012	2011
Salaries	**6,606,741.49**	6,377,560.51
Travel	**854,026.43**	783,927.27
Provision for impairment (Note 5)	**699,425.50**	721.15
Professional fees	**166,630.12**	393,312.52
Insurance	**150,402.81**	111,932.57
Telecommunication	**82,539.61**	56,248.07
Employee benefits	**78,614.00**	52,790.00
Insurance - Jamsostek	**62,209.58**	61,091.96
Rental	**47,667.32**	62,091.12
Recruitment	**27,753.04**	225.13
Printing and stationery	**22,780.09**	23,767.19
Depreciation (Note 7)	**22,306.50**	35,805.98
Bank charges	**18,205.76**	42,018.90
Meals	**17,376.65**	17,745.27
Staff welfare	**14,667.49**	10,541.51
Other tax	**14,602.99**	-
Pantry expenses	**14,408.21**	13,834.83
Audit fee	**12,573.29**	10,859.60
Airport tax	**2,076.45**	6,376.13
Electricity	**832.86**	1,137.25
Courier expenses	**412.05**	2,570.35
Income tax	**-**	32,870.72
Other interest expense	**-**	14,506.85
Entertaiment	**-**	8,017.44
Fiscal expenses	**-**	829.32
Maintenance charges	**-**	805.43
Local travel	**-**	341.00
Others (each account below USD 100.00)	**23,140.06**	410,036.93
Total	**8,939,392.30**	8,531,965.00

17. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of the business, the Company engaged in transactions with related parties consisting of the following:

	2012	2011
Trade payables (Note 8)		
Tech Mahindra Limited	**3,654,064.35**	1,996,913.00
Satyam Computer Services Ltd	**24,655.92**	-
Other payables (Note 10)		
Satyam Computer Services Ltd	**568,958.43**	-
Canvas M	**36,440.00**	-
	4,284,118.70	1,996,913.00
Percentage to total liabilities	**63.41%**	44.95%

Mutations of transactions with related parties are as follows:

Stockholders	**Tech Mahindra Limited**	**Satyam Computer Services Limited**	**Canvas M Tech-nologies Services**
Opening balance (April 1, 2011)	**1,996,913,00**	101,705.10	-
Service income charges to holding corporation cost of services charged	**1,448,000,35**	775,451.38	36,440.00
Other reimbursement (net)	**3,186,760,00**	(61,640.00)	-
Payments	**(2,977,609,00)**	(221,902.13)	-
Ending balance	**3,654,064.35**	**593,614.35**	**36,440.00**

Key Management Personnel Compensation

The total key management personnel employee benefits incurred by the Company in 2012 were USD 1,761,501.68 and Rp 4,761,593,680.00.

Natures of transactions with related parties are as follows:

Related Parties	**Relationship**	**Transaction**
Tech Mahindra Limited	Stockholder	Trade services
Satyam Computer Services Ltd	Affiliate	Trade services
Canvas M Technologies	Affiliate	Trade services

18. 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, interconnect accounting, dealer and partner management, fraud management, reporting, revenue sharing and settlement, rating engine, tarif 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 which is on February 2009. In the absence of Initial Termination Notice, the agreement shall continue to be effective for a further period of two (2) years which is referred to as the “Renewal Term”, in the absence of Renewal Termination Notice at the end of the Renewal Term, the agreement shall continue to be effective for a further period of another two (2) years which is referred to as “Second Renewal Term”.

19. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company has risk management policies and has established processes to monitor and control the risks inherent in its business and activities.The existing risk management policies and processes focus on the unpredictability of the market and seek to minimize potential adverse effects on the Company’s financial performance.

The Company has exposure to the following risks from its use of financial instruments:

1. **Credit risk**

   Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company has maintained prudent analyzes and credit approval and also monitored receivable balances continuously in order to minimize the exposure to bad debts.

   As of March 31, 2012 and 2011 the maximum Company’s exposure of the credit risk approximates the net carrying amounts of the outstanding cash in bank and trade receivables amounting to USD 3,409,676.01 and USD 8,870,218.29 in 2012 and USD 1,640,577.66 and USD 8,103,446.64 in 2011, respectively.

2. **Market risk**

   The Company is exposed to market risks, in particular foreign currency exchange risk.

   Foreign 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.

   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 results primarily from Rupiah which denominated from cash on hand and in bank and trade payables.

   The Company had monetary asset and liability denominated in foreign currency as of March 31, 2012 and 2011, that were presented in Note 21.

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.

   All of the financial liabilities of the Company are due within one year from the end of the reporting period with details as follows:

	2012	2011
Financial Liabilities		
Trade payables		
Third parties	**1,405,981.04**	1,070,079.43
Related parties	**3,678,720.27**	1,996,913.00
Accrued expenses	**90,721.31**	56,485.40
Other payables	**1,298,431.22**	488,690.74
	6,473,853.84	3,612,168.57

20. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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 instruments:

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 values 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 set forth the carrying values and estimated fair values of the Company's financial instruments that are carried in the statement of financial position as of March 31, 2012 and 2011:

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash on hand and in bank	**3,412,072.76**	**3,412,072.76**	1,643,836.00	1,643,836.00
Trade receivables	**8,870,218.29**	**8,870,218.29**	8,103,446.64	8,103,446.64
Advances to employees	**181,468.82**	**181,468.82**	173,520.20	173,520.20
Rental deposits	**14,258.24**	**14,258.24**	12,116.96	12,116.96
Total	**12,478,018.11**	**12,478,018.11**	9,932,919.80	9,932,919.80
Financial Liabilities				
Trade payables				
Third parties	**1,405,981.04**	**1,405,981.04**	1,070,079.43	1,070,079.43
Related parties	**4,247,678.70**	**4,247,678.70**	1,996,913.00	1,996,913.00
Accrued expenses	**90,721.31**	**90,721.31**	56,485.40	56,485.40
Other payables	**729,472.79**	**729,472.79**	488,690.74	488,690.74
Total	**6,473,853.84**	**6,473,853.84**	3,612,168.57	3,612,168.57

21. ASSET AND LIABILITY DENOMINATED IN FOREIGN CURRENCIES

As of March 31, 2012 and 2011, the Company had monetary asset and liability denominated in foreign currencies which are as follows:

	2012	2011
ASSET		
In Rupiah		
Cash on hand and in bank	**583,124,163.00**	1,321,345,276.00
Equivalent in USD	**63,521.15**	151,721.81
LIABILITY		
In Rupiah		
Trade payables	**1,540,082,791.80**	817,746,011.94
Equivalent in USD	**167,765.01**	93,896.66
NET ASSET (LIABILITY)	**(104,243.86)**	57,825.15

As of April 30, 2012, the exchange rate published by Bank Indonesia was Rp 9,190.00 to USD 1. If such exchange rates had been used as of March 31, 2012, the net liability will decrease by USD 113.43.

22. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Statements of Financial Accounting Standards issued by the Indonesian Financial Accounting Standard Board ("DSAK") and effective on or after January 1, 2012 are as follows:

1. PSAK No. 10 (Revised 2010) "The Effects of Changes in Foreign Exchange Rates",
2. PSAK No. 16 (Revised 2011) "Fixed Assets",
3. PSAK No. 18 (Revised 2010) "Accounting and Reporting by Retirement Benefit Plans",
4. PSAK No. 24 (Revised 2010) "Employee Benefits",
5. PSAK No. 46 (Revised 2010) "Income Taxes",
6. PSAK No. 50 (Revised 2010) "Financial Instrument: Presentation",
7. PSAK No. 55 (Revised 2011) "Financial Instruments: Recognition and Measurement",
8. PSAK No. 60 "Financial Instrument: Disclosures",
9. ISAK No. 15, "PSAK 24 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", and
10. ISAK No. 20, "Income Taxes - Changes in the Tax Status of an Entity or its Shareholders".

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

INDEX TO SUPPLEMENTARY INFORMATION
MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)

Schedule	Description
A	Note to Supplementary Information
B	Statements of Financial Position
C	Statements of Comprehensive Income
D	Statements of Changes in Stockholders' Equity
E	Statements of Cash flows
F	Details of Accounts

SCHEDULE A
NOTES TO THE SUPPLEMENTARY INFORMATION
MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)

Preparation of Indian Rupee Accounts

The Company's statutory financial statements are presented in United States Dollar (US Dollar). The translation of the US Dollar amounts into Indian Rupee is presented solely for the purpose of additional analysis of the ultimate holding company and therefore, should not be used for any other purposes. The translation of the US Dollar financial statements 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 ₹ 55.01 for the years ended March 31, 2012 and 2011, 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, 2012.

SCHEDULE B

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

	Notes	2012	2011
ASSETS			
CURRENT ASSETS			
Cash on hand and in bank	A	**174,049,831.49**	83,852,074.18
Trade receivables - net		**452,469,834.79**	413,356,812.95
Prepaid tax	F	**10,846,186.42**	5,792,363.68
Prepaid expenses and advances		**41,236,099.89**	45,663,610.27
Total Current Assets		**678,601,952.59**	548,664,861.08
NON - CURRENT ASSETS			
Deferred tax asset	F	**11,408,618.54**	1,202,206.00
Estimated claims for tax refund	F	**19,371,853.29**	-
Fixed assets - net of accumulated depreciation	B	**1,506,858.35**	2,556,016.22
Total Non - Current Assets		**32,287,330.18**	3,758,222.22
TOTAL ASSETS		**710,889,282.77**	552,423,083.30
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payable	C		
Related party		**216,674,090.49**	101,862,532.13
Third parties		**71,719,092.85**	54,584,751.72
Accrued expenses	D	**4,627,694.02**	2,881,312.60
Taxes payable	F	**5,625,291.84**	37,597,663.00
Other payable	E	**37,210,407.03**	24,928,121.99
Total Current Liabilities		**335,856,576.23**	221,854,381.44
NON - CURRENT LIABILITY			
Employee benefits liability		**8,766,119.51**	4,756,019.37
TOTAL LIABILITIES		**344,622,695.74**	226,610,400.81
STOCKHOLDERS' EQUITY			
Capital stock - USD 1 par value per share			
Authorized - 1,000,000 share			
Issued and fully paid - 500,000 share	G	**25,505,000.00**	25,505,000.00
Retained earnings		**340,761,587.03**	300,307,682.49
Total Stockholders' Equity		**366,266,587.03**	325,812,682.49
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**710,889,282.77**	**552,423,083.30**

SCHEDULE C

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

	Notes	2012	2011
REVENUE	H	**1,180,022,380.40**	1,115,788,661.24
COST OF REVENUE		**663,838,720.39**	485,758,227.96
GROSS PROFIT		**516,183,660.01**	630,030,433.28
OPERATING EXPENSES	I	**455,998,401.29**	435,215,534.53
INCOME FROM OPERATIONS		**60,185,258.72**	194,814,898.75
OTHER INCOME (CHARGES)			
Loss on foreign exchange		**(4,098,393.86)**	(4,749,175.43)
Interest income		**49,947.97**	48,658.95
Others		**2,217,940.43**	439,860.25
Other charges - net		**(1,830,505.46)**	(4,260,656.23)

	Notes	2012	2011
INCOME BEFORE INCOME TAX EXPENSE		**58,354,753.26**	190,554,242.52
INCOME TAX EXPENSE	F		
Current		**(28,107,261.00)**	(60,364,896.72)
Deferred		**10,206,412.17**	686,405.63
NET INCOME		**40,453,904.43**	130,875,751.43
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**40,453,904.54**	130,875,751.43

SCHEDULE D

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

	Notes	Capital Stock	Retained Earnings	Total Stockholders' Equity
Balance as of March 31, 2010	G	**25,505,000.00**	**169,431,931.06**	**194,936,931.06**
Total comprehensive income		-	130,875,751.43	130,875,751.43
Balance as of March 31, 2011		**25,505,000.00**	**300,307,682.49**	**325,812,682.49**
Total comprehensive income		-	40,453,904.54	40,453,904.54
Balance as of March 31, 2012		**25,505,000.00**	**340,761,587.03**	**366,266,587.03**

SCHEDULE E

STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

	Notes	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**40,453,904.43**	130,875,751.43
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	B	**1,137,854.57**	1,826,463.04
Deferred tax asset		**(10,206,412.40)**	(686,405.63)
Employee benefits		**4,010,100.14**	2,692,817.90
Changes in operating assets and liabilities:			
Trade receivables		**(39,113,021.84)**	(9,857,976.16)
Other receivables		**(328,850.76)**	2,615,793.31
Advances to suppliers		**783,513.60**	(5,410,517.97)
Advances to employees		**(405,459.11)**	14,194,266.02
Prepaid tax and expenses		**(675,516.10)**	8,576,870.46
Trade payables		**131,945,899.48**	(78,969,261.98)
Other payables		**12,282,285.06**	(35,040,100.88)
Taxes payable		**(31,972,371.16)**	3,844,702.56
Accrued expenses		**1,746,381.42**	(12,228,220.75)
Estimated claim for tax refund		**(19,371,853.32)**	14,575,068.71
Net Cash Provided by Operating Activities		**90,286,454.01**	**37,009,250.06**
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisitions of fixed assets		**(88,696.70)**	**(267,772.91)**
NET INCREASE IN CASH ON HAND AND IN BANK		**90,197,757.31**	36,741,477.15
CASH ON HAND AND IN BANK AT THE BEGINNING OF THE YEAR	A	**83,852,074.18**	47,110,597.03
CASH ON HAND IN BANK AT THE END OF THE YEAR	A	**174,049,831.49**	83,852,074.18

SCHEDULE F

DETAILS OF ACCOUNTS
YEARS ENDED MARCH 31, 2012 AND 2011
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

A. CASH ON HAND AND IN BANK

Details are as follows:

	2012	2011
Cash on hand	**122,258.22**	166,208.43
Cash in bank		
US Dollar	**170,809,617.63**	76,112,744.32
Rupiah	**3,117,955.64**	7,573,121.43
Total	**174,049,831.49**	83,852,074.18

B. FIXED ASSETS

The details of fixed assets are as follows:

	2012	2011
Cost	**9,988,745.55**	9,900,048.85
Accumulated depreciation	**(8,481,887.20)**	(7,344,032.63)
Total	**1,506,858.35**	2,556,016.22

SCHEDULE F (Contd.)

C. TRADE PAYABLES

Details are as follows:

	2012	2011
Third Parties		
Comviva Technologies Ltd	**13,235,054.60**	11,612,324.48
PT Mitra Integrasi	**10,205,641.60**	1,013,502.90
Intec System (Asia) Sdn Bhd	**8,696,694.90**	13,228,395.75
Elite Technologies Ltd	**6,894,011.70**	591,052.87
PT Focus Com	**6,364,359.06**	3,208,209.17
Openet Telcom Malaysia Sdn Bhd	**4,349,485.99**	2,932,458.80
PT Convergys Indonesia	**3,281,519.21**	3,281,519.21
Subex Azure Ltd	**2,655,316.88**	2,001,501.30
PT Berca Hardaya Perkasa	**1,773,881.42**	1,966,140.66
6D Technologies	**1,767,157.28**	1,013,759.99
PT Amanja Mega Persada	**1,624,413.45**	-
Tibco Software Inc	**1,289,022.70**	1,289,022.70
PT Anabatic Technologies	**1,245,639.72**	-
VIZ Sector Consultant	**1,131,090.13**	1,131,090.13
PT Astra Graphia Tbk (Xprint)	**887,546.96**	600,052.56
PT Oracle Indonesia	**876,884.34**	846,886.89
PT Techking Enterprises Indonesia	**867,676.02**	-
HQ Global Workplaces	**635,972.28**	693,370.26
Tectacle Technologies MSC	**616,403.82**	102,020.00
Bharti Telesoft Ltd	**430,524.40**	430,524.40
PT Rasuna Residence Development (Aston Rasuna)	**424,397.08**	171,509.90
Landsat Communication Pte, Ltd	**408,080.00**	408,080.00
PT Madawani Mandiri	**363,599.28**	363,599.28
PT Datacraft Indonesia	**308,444.72**	308,444.72
Tiendas Law Offices	**228,132.02**	191,221.19
CIBA	**190,368.30**	799,121.64
Allianz	**179,975.52**	103,033.06
Infogain Systems Pvt Ltd	**168,333.00**	168,333.00
PT Iditya Putra	**98,256.48**	98,256.48
PT Arsena Solusindo	**89,319.02**	89,319.02
PT Sumber Daya Info Prima	**63,159.56**	63,159.56
PT Aero Globe Indonesia (Aerotravel)	**56,185.98**	-
Price Waterhouse Coopers	**-**	3,250,357.20
Others	**312,545.43**	2,628,484.6
Total third parties	**71,719,092.85**	54,584,751.72
Related Parties	**216,674,090.49**	101,862,532.13
Total	**288,393,183.34**	156,447,283.85

D. ACCRUED EXPENSES

Details are as follows:

	2012	2011
Payable to employees	**1,455,243.38**	1,037,966.27
Medical claims	**1,410,478.53**	196,670.59
Salaries	**1,554,210.94**	1,646,675.74
Travel	**207,761.17**	-
Total	**4,627,694.02**	2,881,312.60

E. OTHER PAYABLES

	2012	2011
Provision for expenses	**29,274,289.70**	17,008,610.15
Leave encashment liabilities	**7,936,117.33**	7,919,511.84
Total	**37,210,407.03**	24,928,121.99

F. TAXATION

This account consists of:

a. Prepaid tax

As of Mach 31, 2012 and 2011, prepaid tax amounting to ₹ 10,846,186.42 and ₹ 5,792,363.68, respectively, pertains to VAT on import purchases.

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

b. Taxes payable

	2012	2011
Income taxes:		
Article 4 (2)	**17,830.43**	3,705.88
Article 21	**4,880,329.93**	3,706,644.71
Article 23	**299,937.84**	-
Article 26	**427,193.64**	5,932,377.81
Article 29	**-**	27,954,934.60
Total	**5,625,291.84**	37,597,663.00

c. Current income tax

Reconciliation between income before income tax expense, as shown in the statements of comprehensive income and estimated taxable income for years ended March 31, 2012 and 2011 are as follows:

	2012	2011
Income before income tax expense per statements of comprehensive income	**58,354,753.26**	190,554,242.52
Permanent differences:		
Salaries	**-**	15,537,870.08
Insurance	**7,620,782.29**	5,658,415.35
Income tax	**-**	1,676,735.57
Rent	**1,193,164.71**	1,516,432.93
Communication	**2,105,172.75**	1,434,607.03
Meals	**886,382.92**	905,186.22

	2012	2011
Staff welfare	**748,188.66**	537,722.43
Entertainment	**-**	408,969.61
Fiscal expenses	**-**	42,303.61
Income already subjected to final income tax:		
Interest on bank balance	**(49,947.97)**	(48,658.95)
Other	**744,898.52**	20,490,138.04
Temporary differences:		
Employee benefits	**4,010,100.14**	2,692,817.90
Provision for impairment	**35,677,694.76**	36,785.86
Depreciation	**1,137,853.98**	16,018.76
Total	**54,074,290.76**	50,905,344.44
Estimated taxable income	**112,429,044.02**	241,459,586.96

The computation of current income tax expense and estimated claim for tax refund for the years ended March 31, 2012 and 2011, are as follows:

	2012	2011
Estimated taxable income	**112,429,044.02**	241,459,586.96
Current income tax expense	**28,107,261.00**	60,364,896.72
Prepayments of income tax:		
Withholding tax article 23	**(19,777,451.28)**	(21,758,619.52)
Advance tax	**(27,701,663.01)**	(10,651,342.50)
Income tax payable (Claim for tax refund)	**(19,371,853.29)**	27,954,934.70

d. Deferred income

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

	2012	2011
Employee benefits	**1,002,525.03**	673,204.47
Provision for impairment	**8,919,423.43**	9,196.59
Depreciation	**284,463.71**	4,004.57
Total	**10,206,412.17**	686,405.63

e. Deferred tax assets

	2012	2011
Employee benefits	**2,191,529.87**	1,189,004.84
Provision for impairment	**8,928,620.02**	9,196.59
Depreciation	**288,468.65**	4,004.57
Total	**11,408,618.54**	1,202,206.00

G. CAPITAL STOCK

The details of the Company's shareholdings as of March 31, 2012 and 2011 are as follows:

	2012	2011
Capital stock	**25,505,000.00**	25,505,000.00
Retained earnings	**300,307,682.49**	169,431,931.06
Current earnings for the year	**40,453,904.54**	130,875,751.43
Total	**366,266,587.03**	325,812,682.49

H. REVENUE

Details are as follows:

	2012	2011
PT Hutchinson CP Telecommunications	**882,907,849.01**	879,344,771.96
PT Axis Telekom Indonesia	**194,848,621.34**	207,577,772.02
PT Badak Natural Gas Liquefaction	**61,212,000.00**	-
PT Hero Supermarket Tbk	**28,810,958.76**	-
PT Kaltim Nitrate Indonesia	**11,087,584.61**	5,461,028.58
PT DC Solutions	**1,155,366.68**	-
PT Mitra Integrasi	**-**	23,263,110.50
PT Telkom Tbk	**-**	141,978.18
Total	**1,180,022,380.40**	1,115,788,661.24

I. OPERATING EXPENSES

Details are as follows:

	2012	2011
Salaries	**337,009,883.61**	325,319,361.46
Travel	**43,563,888.19**	39,988,130.04
Provision for impairment	**35,677,694.55**	36,785.86
Professional fees	**8,499,802.42**	20,062,871.65
Insurance	**7,672,047.34**	5,709,680.40
Telecommunication	**4,210,345.51**	2,869,214.05
Employee benefits	**4,010,100.14**	2,692,817.90
Insurance - Jamsostek	**3,173,310.68**	3,116,300.88
Rental	**2,431,509.93**	3,167,268.03
Recruitment	**1,415,682.57**	11,483.88
Printing and stationery	**1,162,012.39**	1,212,364.36
Depreciation (Note 6)	**1,137,854.57**	1,826,463.04
Bank charges	**928,675.82**	2,143,384.09
Meals	**886,382.92**	905,186.22
Staff welfare	**748,188.66**	537,722.43
Pantry expenses	**734,962.79**	705,714.68
Audit fee	**641,363.52**	553,948.20
Airport tax	**105,919.71**	325,246.39
Electricity	**42,484.19**	58,011.12
Courier expenses	**21,018.67**	131,113.55
Income tax	**-**	1,676,735.57
Other interest expense	**-**	739,994.42
Entertaiment	**-**	408,969.61
Fiscal expenses	**-**	42,303.61
Maintenance charges	**-**	41,084.98
Travel inland	**-**	17,394.41
Others (each account below USD 100.00)	**1,925,273.11**	20,915,983.70
Total	**455,998,401.29**	435,215,534.53

CANVASM TECHNOLOGIES LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. Ulhas N. Yargop

Mr. L. Ravichandran

Mr. Manoj Bhat

Registered Office

Oberoi Gardens Estate,

Chandivali,

Off Saki Vihar Road,

Andheri (E)

Mumbai 400 072

Bankers

HSBC Bank

Auditors

Deloitte Haskins & Sells,

Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Sixth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS

(Figures in ₹)

For the year ended March 31,	**2012**	2011
Income	**1,197,380,717**	905,744,786
Expenditure	**885,182,981**	731,833,196
Depreciation	**96,937,138**	42,540,014
Profit/(Loss) Before Tax & Extra Ordinary items	**215,260,598**	131,371,576
Provision for Taxation	**78,901,018**	63,422,036
Deferred Taxes Charge/ (Credit)	**(25,260,170)**	(25,803,360)
Profit/(Loss) after Tax	**161,619,750**	93,752,900
Profit Carried forward to Balance Sheet	**161,619,750**	93,752,900

DIVIDEND

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

BUSINESS OVERVIEW

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

CanvasM has been focusing on building, operating and managing end-to-end solutions for customers spanning across Telcos & Enterprises with focus on Enterprise Mobility, VAS Services, VAS SI/MS and Device Testing.

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

In this area, we are focusing on two pronged strategy which is as follows:-

- CanvasM has planed and in process of launching few VAS services on D2C model for Indian market spanning across VAS verticals like Voice based solutions for the bottom of the pyramid segment, Commerce solutions for enabling contact less payments, Digital promotion solutions replacing paper based coupons with mobile coupons powered by quick response technology and Entertainment solutions with focus on aggregation of niche content like education etc. Besides contributing to top line of CanvasM these VAS services would also enable our positioning as potential VAS Managed Services partners for our customers and create a set of services that will become ubiquitous with the consumers lifestyle.
- Leveraging the installed Telco customer base of Tech Mahindra across the focus geographies of North America, Europe, India, MEA & APAC to cross sell and up sell VAS solutions. Dedicated pre-sales / sales teams have been set up for each of these focus geos. In these customers Canvasm is focused on providing VAS solutions around platforms and applications providing content, location and commerce solutions.
- CanvasM's Enterprise Mobility practice offers solutions to leverage enterprises with the power of Mobility for increased productivity (B2E), enhanced user-experience (B2C), synergistic partnerships (B2B), seamless connectivity (M2M) and quantifiable business benefits. Solutions span various verticals like BFSI, Logistics, Telecom, Retail, Healthcare, Retail and Manufacturing. The company's UMP (Unified Mobility Platform) is a modular & scalable MEAP platform with compartmentalization. It allows near code-free development using IDEs, and reduces effort by 60%.
- CanvasM has a mature Device Testing practice, the only one of its kind in India. . Capabilities include 3G and LTE Device Testing, Application testing, Field testing, content testing, GCF-PTCRB testing. Going forward, the practice plans to foray into non traditional device testing like Medical Equipment, Automated cars, Smart Homes. It is also well on its way to becoming a complete certified test house (GCF, PTCRB, CCF, CTIA, NFC).

HUMAN RESOURCE MANAGEMENT

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

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

FIXED DEPOSITS

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

SUBSIDIARY COMPANIES

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

PURCHASE OF STAKE FROM MOTOROLA CYPRUS HOLDING LIMITED (MOTOROLA)

During the year under review, Tech Mahindra Ltd., Holding Company, has bought 19.90 % equity stake held by Motorola, a joint venture partner, in the Company on 3rd February 2012. Consequent to this purchase the Company has become a wholly owned subsidiary of Tech Mahindra Limited.

SCHEME OF AMALGAMATION

As a measure to consolidate the software and related businesses and form a single entity providing services in this sector, to reduce overall cost and attain efficiencies, synergy and benefits, the Board of Directors at its meeting held on 21st March 2012 has decided to amalgamate the Company with its holding Company Tech Mahindra Limited. The proposed amalgamation is sought to be implemented by way of a Scheme of Amalgamation and Arrangement (the "Scheme") under Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956.

CONSOLIDATED FINANCIAL STATEMENTS

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

DIRECTORS

Mr. Vineet Nayyar, Director is liable to retire by rotation and being eligible offers himself for re-appointment.

During the year, Mr. C. P. Gurnani and Mr. Ramadorai Meyoor had resigned from the Board of Directors. Your Board wishes to place on records their appreciation for the support and contribution made by both the Directors during their tenure with the Company.

Mr. L. Ravichandran and Mr. Manoj Bhat were appointed as Additional Directors during the year. They hold office upto the date of the ensuing Annual General Meeting. The Company has received Notices from Members under Section 257(1) of the Companies Act, 1956, along with the requisite amount of deposit, signifying their intention to propose the candidatures of Mr. L. Ravichandran and Mr. Manoj Bhat as Directors of the Company, at the forthcoming Annual General Meeting.

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 ₹ 627,258,893 (Previous Year – ₹ 555,604,160) while the outgoings were ₹ 488,974,789 (Previous Year – ₹ 364,692,834).

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 ₹ 6,000,000 during the year ended March 31, 2012, or of not less than ₹ 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 March 31, 2012 and of the profit of the Company for the year ended on that date;

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Vineet Nayyar
Chairman

Place : New Delhi
Date: May 21, 2012

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 31^{st} March, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 31^{st} March, 2012;
      (ii) in the case of the Statement of Profit and Loss, 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 31^{st} March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31^{st} March, 2012 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: May 21, 2012

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 device testing services including purchase of certain Hardware which is specific to customer requirements and are issued/ included as a part of service contract and accordingly 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. There are no purchases and sale of goods during the year. 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 Management have been commensurate with the size of the Company and the nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records by the company 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 and the records of the Company examined by us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed dues, including Provident Fund, Customs Duty, Cess and other material statutory dues applicable to it and generally regular in depositing Service Tax and Income-tax 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.

We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of Sales Tax, Wealth Tax, Excise Duty, Customs Duty, Service Tax and Cess, which have not been deposited. The following are the particulars of dues of Income-tax which has not been deposited by the Company on account of disputes as at March 31, 2012:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹)
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2008-09	24,915,760

(x) The Company does not have accumulated losses as at the end of the financial year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(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 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: May 21, 2012

BALANCE SHEET AS AT MARCH 31, 2012

₹

	Note	As at March 31, 2012		As at March 31, 2011	
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	3	**576,733,000**		576,733,000	
(b) Reserves and surplus	4	**375,395,388**	**952,128,388**	213,775,638	790,508,638
2 Non-current liabilities					
(a) Long-term liabilities	5A	**-**		13,042,575	
(b) Long-term provisions	5B	**25,626,190**	**25,626,190**	11,719,930	24,762,505
3 Current liabilities					
(a) Trade payables	6	**196,834,955**		222,910,594	
(b) Other current liabilities	7	**185,400,693**		58,121,387	
(c) Short-term provisions	8	**4,370,278**	**386,605,926**	5,669,872	286,701,853
			1,364,360,504		1,101,972,996
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		**245,825,084**		127,771,877	
(ii) Intangible assets		**5**	**245,825,089**	-	127,771,877
(b) Non-current investments	10		**4,425**		4,425
(c) Deferred tax assets	30		**63,671,925**		38,411,755
(d) Long-term loans and advances	11		**17,465,148**		16,227,790
(e) Other non-current assets	12		**-**		-
2 Current assets					
(a) Current investments	13	**401,505,071**		379,155,065	
(b) Trade receivables	14	**426,989,424**		442,345,078	
(c) Cash and cash equivalents	15	**97,138,446**		66,072,891	
(d) Short-term loans and advances	16	**109,523,207**		31,984,115	
(e) Other current assets	17	**2,237,769**	**1,037,393,917**	-	919,557,149
			1,364,360,504		1,101,972,996

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner

Place: Gurgaon
Date : May 21, 2012

For and on behalf of the Board of Directors

Vineet Nayyar
Director

Manoj Bhat
Director

Yogesh Kandalgaonkar
Company Secretary

Place: New Delhi
Date : May 21, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

₹

		Note	**Year ended March 31,2012**	Year ended March 31,2011
I.	Revenue from operations	18	**1,141,813,027**	885,507,873
II.	Other income	19	**55,567,690**	20,236,913
III.	**Total Revenue (I + II)**		**1,197,380,717**	905,744,786
IV.	Expenses:			
	Employee benefits expense	20	**426,827,186**	182,626,317
	Finance costs	21	**2,521,432**	955,604
	Depreciation/Amortisation	9	**96,937,138**	42,540,014
	Other expenses	22	**455,834,363**	548,251,275
	Total expenses		**982,120,119**	774,373,210
V.	**Profit before tax (III- IV)**		**215,260,598**	131,371,576
VI.	Tax expense:			
	(1) Current tax		**78,901,018**	63,422,036
	(2) Deferred tax		**(25,260,170)**	(25,803,360)
VII.	**Profit for the year (V - VI)**		**161,619,750**	93,752,900
VIII.	Earnings per equity share:	25		
	(1) Basic		**28.02**	16.26
	(2) Diluted		**28.02**	16.26

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner

Place: Gurgaon
Date : May 21, 2012

For and on behalf of the Board of Directors

Vineet Nayyar
Director

Manoj Bhat
Director

Yogesh Kandalgaonkar
Company Secretary

Place: New Delhi
Date : May 21, 2012

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2012

₹

		Note	For the Year ended March 31, 2012	For the Year ended March 31, 2011
I.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before tax		**215,260,598**	131,371,576
	Adjusted for:			
	Interest on fixed deposit		**(384,066)**	-
	Interest on income tax refund		**(685,061)**	-
	Depreciation		**96,937,138**	42,540,014
	Dividend Income from Investments		**(28,154,357)**	(19,365,716)
	Sundry balances written back		**(4,441,000)**	-
	Provision for dimunition in value of Investments written back		**-**	(170,059)
	Unrealised Exchange Loss/(Gain) (net)		**13,360,411**	3,186,283
	Profit on sale of investments		**(2,227,855)**	(701,138)
	Provision for dimunition in value of Investments		**90,506**	-
	Provision for doubtful trade receivables		**4,556,646**	76,997,314
	Provision for doubtful advances		**1,148,809**	-
	Assets written off		**313,065**	78,338
	Operating profit before working capital changes		**295,774,834**	233,936,612
	Adjusted for:			
	Trade Receivables		**10,799,008**	(115,809,195)
	Other Current Assets		**(1,853,703)**	-
	Short term loans and advances		**(78,687,901)**	(19,004,673)
	Long term loans and advances		**568,527**	(267,299)
	Trade Payables		**(26,075,639)**	(28,483,351)
	Other current liabilities		**91,012,131**	11,345,456
	Short-term provisions		**2,504,290**	372,928
	Long-term provisions		**13,906,260**	4,167,602
	Cash generated from Operations		**307,947,807**	86,258,080
	Income taxes Paid		**(82,704,902)**	(54,298,848)
	Interest on income tax refund		**685,061**	-
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES		**225,927,966**	31,959,232
II.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of Investments		**(333,613,418)**	(245,629,925)
	Sale of Investments		**313,400,759**	316,264,209
	Dividend Income from Investments		**28,154,357**	19,365,716
	Capital Expenditure on fixed assets, including capital advances		**(189,443,698)**	(108,797,877)
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(181,502,000)**	(18,797,877)
III.	**CASH FLOWS FROM FINANCING ACTIVITIES**		**-**	-
	Net (Decrease)/Increase in Cash and Cash Equivalents (I+II+III)		**44,425,966**	13,161,355
	Cash and cash Equivalents at the beginning of the year		**66,072,891**	56,097,819
	Unrealised Gain/(Loss) on reinstatement of foreign currency bank account		**(13,360,411)**	(3,186,283)
	Cash and Cash Equivalents at the end of the year*	15	**97,138,446**	66,072,891

*includes fixed deposit of ₹ 8,800,000 (previous year Nil) which is held as security against bank guarantee for earnest money

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner

Place: Gurgaon
Date : May 21, 2012

For and on behalf of the Board of Directors

Vineet Nayyar, Director

Manoj Bhat, Director

Yogesh Kandalgaonkar
Company Secretary

Place: New Delhi
Date : May 21, 2012

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 its equity shares being held by Tech Mahindra 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, 2012.

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.

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%
Software	100%

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 ₹ 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) 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 Statement of Profit and Loss 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. 378(E) dated May 11, 2011 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.

x) 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 Statement of Profit and Loss.

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 Statement of Profit and Loss. 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.

xi) Income Taxes

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

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

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

xii) 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 year.

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

xiii) Material Events

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

NOTES TO THE FINANCIAL STATEMENTS

Note 3: Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹100 each with voting rights	**10,000,000**	**1,000,000,000**	10,000,000	1,000,000,000
Issued				
Equity Shares of ₹100 each with voting rights	**5,767,330**	**576,733,000**	5,767,330	576,733,000
Subscribed and paid up				
Equity Shares of ₹100 each fully paid up	**5,767,330**	**576,733,000**	5,767,330	576,733,000
	5,767,330	**576,733,000**	5,767,330	576,733,000

Number of shares outstanding at the beginning and at the end of March 31, 2012

Particulars	As at March 31, 2011	Issued during the year	Buyback during the year	As at March 31, 2012
Authorised				
Number of equity shares of ₹ 100 each with voting rights	10,000,000	-	-	**10,000,000**
Issued, subscribed and paid up				
Number of equity shares of ₹100 each with voting rights	5,767,330	-	-	**5,767,330**
	5,767,330	-	-	**5,767,330**

Shares in the Company held by each shareholder holding more than 5% shares

Name of the Shareholder	As at March 31, 2012		As at March 31, 2011	
	Number	% to total	Number	% to total
Tech Mahindra Limited (Holding company) *	**5,767,330**	**100.00**	4,619,631	80.10
Motorola Holding Cyprus Limited*	**-**	**-**	1,147,699	19.90
Total	**5,767,330**	**100.00**	5,767,330	100.00

Note: The Company has not issued any shares pursuant to a contract without payment being received in cash or by way of bonus shares and has not bought back any shares.

* Motorola Holding Cyprus Limited has transferred 1,147,699 shares representing 19.90% shareholding of the Company to Tech Mahindra Limited (TML), the holding Company on February 03, 2012. Consequent to the said transfer of shares, the Company has become a wholly owned subsidiary of Tech Mahindra Limited (TML).

Note 4: Reserves and Surplus

₹

Particulars	As at March 31, 2012	March 31, 2011
Surplus in Statement of Profit and Loss		
Opening balance	**213,775,638**	120,022,738
(+) Net Profit for the year	**161,619,750**	93,752,900
Closing Balance	**375,395,388**	213,775,638

Note 5A: Long-term liabilities

₹

Particulars	As at March 31, 2012	March 31, 2011
Payable on purchase of fixed assets	**-**	13,042,575
	-	13,042,575

Note 5B: Long term provisions

Provision for employee benefits	**25,626,190**	11,719,930
	25,626,190	11,719,930

Note 6: Trade Payables

₹

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Trade Payables*		
Due to subsidiary company - CanvasM (Americas) Inc.	**112,815,162**	114,613,244
Total outstanding dues of trade payable other than micro and small enterprises#	**84,019,793**	108,297,350
Total	**196,834,955**	222,910,594

* Trade Payables do not include any amount outstanding as on March 31, 2012, which are required to be credited to Investor Education and Protection Fund

Includes ₹14,528,641 (previous year ₹10,102,652) payable to holding company (Tech Mahindra Limited)

*Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors 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, 2012.

Note 7: Other Current Liabilities

₹

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Advance received from customers	**-**	1,153,540
(b) Unearned Income	**99,214,136**	21,399,015
(c) Other payables		
i) Statutory remittances	**30,383,385**	20,635,454
ii) Payables on purchase of fixed assets	**55,641,553**	14,933,378
iii) Others	**161,619**	-
Total	**185,400,693**	58,121,387

Note 8: Short term provisions

Particulars		
(a) Provision for taxation (net of advance tax)	**178,908**	3,982,792
(b) Provision for employee benefits	**4,191,370**	1,687,080
Total	**4,370,278**	5,669,872

Note 9: Fixed Assets

₹

	Gross Block					Accumulated Depreciation/Amortisation				Net Block	
	Balance as at April 1, 2011	Additions during the year	Disposals during the year	Effect of foreign currency exchange differences	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year	Disposals during the year	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(i) Tangible Assets											
Plant and Machinery	199,533,620	192,013,647	291,764	1,436,815*	392,692,318	81,985,682	79,786,166	98,831	161,673,017	231,019,301	117,547,938
Furniture and Fixtures	2,454,534	685,672	-	-	3,140,206	1,253,959	589,934	-	1,843,893	1,296,313	1,200,575
Computers	16,010,186	11,079,835	190,092	-	26,899,929	7,120,686	6,423,908	69,960	13,474,634	13,425,295	8,889,500
Office Equipments	248,482	-	-	-	248,482	114,618	49,689	-	164,307	84,175	133,864
Total	**218,246,822**	**203,779,154**	**481,856**	**1,436,815**	**422,980,935**	**90,474,945**	**86,849,697**	**168,791**	**177,155,851**	**245,825,084**	127,771,877
(ii) Intangible Assets											
Software**	-	10,087,446	-	-	10,087,446	-	10,087,441	-	10,087,441	5	-
Total	**-**	**10,087,446**	**-**	**-**	**10,087,446**	**-**	**10,087,441**	**-**	**10,087,441**	**5**	**-**
Grand Total	**218,246,822**	**213,866,600**	**481,856**	**1,436,815**	**433,068,381**	**90,474,945**	**96,937,138**	**168,791**	**187,243,292**	**245,825,089**	
Previous Year	110,496,001	108,617,410	487,414	(379,175)	218,246,822	47,964,832	42,540,014	29,901	90,474,945		127,771,877

*During the year, net exchange loss of ₹1,436,815 capitalised (previous year exchange gain decapitalized ₹ 379,175) in line with the notification No. G.S.R. 378(E) dated May 11, 2011 issued by the Ministry of Corporate Affairs, Government of India. Depreciation charged in current year is ₹ 513,993 due to capitalisation (previous year reversal of depreciation ₹ 1,062 due to decapitalisation)

** During the year, softwares have been capitalized and depreciated @100% in the month of capitalization and previously the same were expensed off.

Note 10: Non Current Investments

(Valued at cost unless there was permanent fall in value thereof)

₹

Particulars	As at March 31, 2012	As at March 31, 2011
A Other Investments		
Unquoted		
(a) Investment in Equity instruments of subsidiary (100 No. of shares of ₹44.25 each fully paid up)	**4,425**	4,425
Less : Provision for dimunition in the value of Investments	**-**	-
	4,425	4,425
Aggregate amount of unquoted investments	**4,425**	4,425

Note 11: Long Term Loans and Advances

₹

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Capital Advances Unsecured, considered good	**1,805,885**	-
	1,805,885	-
(b) Security Deposits Unsecured, considered good*	**15,000,000**	15,000,000
	15,000,000	15,000,000
Note 11: (Continued)		
(c) Loans and advances to employees Unsecured, considered good	**250,000**	-
	250,000	-
(d) Prepaid expenses Unsecured, considered good*	**409,263**	1,227,790
	409,263	1,227,790
	17,465,148	16,227,790

*Represents amount held with Tech Mahindra Limited, the holding company

Note 12: Other Non-current assets

Particulars	As at March 31, 2012	As at March 31, 2011
Long-term trade receivables		
Doubtful	**23,281,968**	16,714,818
Less: Provision for doubtful trade receivables	**(23,281,968)**	(16,714,818)
	-	-

Note 13: Current Investments

(Valued at lower of Cost or fair value)

Particulars	As at March 31, 2012	As at March 31, 2011
Investments in Mutual Funds	**401,601,318**	379,160,806
Less : Provision for dimunition in the value of Investments	**96,247**	5,741
	401,505,071	379,155,065
Aggregate amount of unquoted investments as give below:	**401,601,318**	379,160,806

Detail of Investments in Mutual Funds

Sr. No.	Name of Mutual Fund	Subsidiary/ Associate/ JV/Controlled Entity/Others	No. of Units As at March 31, 2012	No. of Units As at March 31, 2011	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%) As at March 31, 2012	Extent of Holding (%) As at March 31, 2011	Amount (₹) As at March 31, 2012	Amount (₹) As at March 31, 2011
1	Kotak Quarterly Interval Plan Series 1 - Dividend	Others	**4,433,314**	4,433,314	Unquoted	N.A.	N.A.	N.A.	**44,345,552**	44,345,552
2	B332WD Birla Sun Life Savings Fund - Instl - Weekly Dividend -Reinvestment*	Others	**-**	7,683,056	Unquoted	N.A.	N.A.	N.A.	**-**	76,932,212
3	B132WD Birla Sun life Savings Fund - Instl - Weekly Dividend - Reinvestment*	Others	**824,625**	-	Unquoted	N.A.	N.A.	N.A.	**82,564,965**	-
4	BSL Fixed Term Plan Series CP - Growth	Others	**-**	5,000,000	Unquoted	N.A.	N.A.	N.A.	**-**	50,000,000
5	B85IF Birla Sun Life Short Term Fund -Institutional Fortnightly Dividend	Others	**-**	11,613,267	Unquoted	N.A.	N.A.	N.A.	**-**	117,660,893
6	Reliance Fixed Horizon Fund - XVIII - Series 3 - Dividend Plan	Others	**-**	6,124,372	Unquoted	N.A.	N.A.	N.A.	**-**	61,243,723
7	1542 ICICI Prudential Floating Rate Plan D - Daily Dividend	Others	**310,252**	289,659	Unquoted	N.A.	N.A.	N.A.	**31,038,498**	28,978,426
8	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	Others	**38,533**	-	Unquoted	N.A.	N.A.	N.A.	**38,586,193**	-
9	B1034G Birla Sun Life Fixed Term Plan Series EM Growth	Others	**5,499,850**	-	Unquoted	N.A.	N.A.	N.A.	**54,997,501**	-
10	IDFC Fixed Maturity Quarterly Series 69 Dividend	Others	**5,000,000**	-	Unquoted	N.A.	N.A.	N.A.	**50,000,000**	-
11	IDFC Fixed Maturity Quarterly Series 70 Dividend	Others	**5,006,861**	-	Unquoted	N.A.	N.A.	N.A.	**50,068,609**	-
12	DSP Black Rock FMP - Series 35 - 3M	Others	**5,000,000**	-	Unquoted	N.A.	N.A.	N.A.	**50,000,000**	-
									401,601,318	379,160,806

* Face value changed from ₹ 10 to ₹ 100 on October 7, 2011 and consequently, 7,970,597 units in B332WD Birla Sun Life Savings Fund - Instl - Weekly Dividend -Reinvestment converted to 797,057 units in B132WD Birla Sun life Savings Fund - Instl - Weekly Dividend - Reinvestment

₹

Particulars	As at March 31, 2012	As at March 31, 2011
Note 14: Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**11,151,075**	**80,051,751**
Unsecured, considered doubtful	**45,099,152**	**61,360,386**
Less: Provision for doubtful trade receivables	**(45,099,152)**	**(61,360,386)**
	11,151,075	80,051,751
Other trade receivables		
Unsecured, considered good*	**415,838,349**	**362,293,327**
Unsecured, considered doubtful	**15,435,151**	**-**
Less: Provision for doubtful trade receivables	**(15,435,151)**	**-**
	415,838,349	362,293,327
	426,989,424	442,345,078

* Includes ₹ 120,847,555 (previous year ₹ 51,135,565) recoverable from Tech Mahindra Limited, the holding company and ₹ 197,011,790 (previous year ₹ 214,423,812) recoverable from CanvasM (Americas) Inc, 100% subsidiary of the Company.

Particulars	As at March 31, 2012	As at March 31, 2011
Note 15: Cash and Cash equivalents		
a. Balances with banks		
i) in Current Account	**25,056,746**	11,455,000
ii) in EEFC Account	**63,281,700**	54,617,891
iii) in Deposit Account*	**8,800,000**	-
	97,138,446	66,072,891

*Represents fixed deposit which is held as security against bank guarantee for earnest money

Particulars	As at March 31, 2012	As at March 31, 2011
Note 16: Short term loans and advances		
(a) Security Deposits		
Unsecured, considered good	**282,000**	120,000
	282,000	120,000
(b) Loans and advances to employees		
Unsecured, considered good	**855,285**	3,869,734
Doubtful	**1,148,809**	-
Less:Provision for doubtful loans and advances	**(1,148,809)**	-
	855,285	3,869,734
(c) Prepaid expenses - Unsecured, considered good *	**15,529,634**	2,920,854
	15,529,634	2,920,854
(d) Balance with government authorities		
Unsecured,considered good		
(i) Service tax credit receivable	**23,421,221**	2,683,037
(ii) Deposits	**680,800**	680,800
	24,102,021	3,363,837
(e) Advance to suppliers		
Unsecured, considered good	**66,049,183**	21,709,690
	66,049,183	21,709,690
(f) Others**	**2,705,084**	-
	2,705,084	-
	109,523,207	31,984,115

*Includes ₹ 821,822 (previous year ₹ 821,822) with Tech Mahindra Limited, the holding company

**Represents amount recoverable from related parties towards reimbursement of expenses

Particulars	As at March 31, 2012	As at March 31, 2011
Note 17: Other current assets		
Unbilled revenue	**1,853,703**	-
Interest accrued but not due on fixed deposits	**384,066**	-
	2,237,769	-
Note 18: Revenue from operations		
(a) Sale of services	**1,098,450,234**	885,507,873
(b) Other operating income		
i) Sundry balances written back	**4,441,000**	-
ii) Refund from supplier*	**38,921,793**	-
	1,141,813,027	885,507,873

* During the previous years, the Company had paid ₹ 35,008,793 (USD 757,114) to a foreign party on account of subcontracting charges for supply of various hardware and software. However, due to inability of the party to complete the contract, it has refunded back ₹ 38,921,793 (USD 745,628) to the Company during the year.

₹

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 19: Other Income		
(a) Interest on Income tax refund	**685,061**	-
(b) Dividend Income	**28,154,357**	19,365,716
(c) Profit on sale of investments	**2,227,855**	701,138
(d) Foreign exchange gain (net)	**24,116,351**	-
(e) Provision for dimunition in value of investments written back	**-**	170,059
(f) Interest on fixed deposit	**384,066**	-
	55,567,690	20,236,913
Note 20: Employee Benefits expenses		
(a) Salaries and Bonus	**412,215,710**	174,061,596
(b) Contribution to Provident and other funds	**13,097,423**	7,402,406
(c) Staff welfare expenses	**1,514,053**	1,162,315
	426,827,186	182,626,317
Note 21: Finance Cost		
Interest expense	**1,388,451**	-
Bank charges	**1,132,981**	955,604
	2,521,432	955,604

Note 22: Other Expenses

Rent		**3,835,159**	2,979,017
Communication expenses		**7,651,220**	4,803,613
Travelling and conveyance		**38,274,542**	24,883,037
Recruitment expenses		**-**	746,456
Training		**2,282,535**	-
Car lease rental		**501,110**	2,175,980
Sub-contracting costs		**241,520,614**	254,179,690
- Services			
Professional and legal fees		**6,015,305**	6,247,434
Repairs and maintenance :			
Machinery	**12,255,678**		-
Others	**3,865,495**		10,465,222
		16,121,173	10,465,222
Printing and stationery		**242,760**	453,115
Insurance		**-**	26,000
Software,hardware and project specific expenses		**128,341,570**	157,258,992
Advertising, marketing and selling expenses		**488,610**	-
Business promotion expenses		**606,395**	290,342
Conference and seminar expenses		**-**	300,000
Membership and subscription		**551,113**	251,550
Foreign exchange loss (net)		**-**	3,583,255
Auditor's remuneration			
- Statutory audit		**550,000**	550,000
- Other services		**650,000**	650,000
Provision for doubtful trade receivables (net of written back)		**4,556,646**	76,997,314
Provision for dimunition in value of Investments (net of written back)		**90,506**	-
Provision for doubtful advances		**1,148,809**	-
Donations		**35,000**	35,000
Assets written off		**313,065**	78,338
Miscellaneous expenses		**2,058,231**	1,296,920
		455,834,363	548,251,275

23.

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

₹

Particulars	**As at March 31, 2012**	As at March 31, 2011
Claims not acknowledged as debts:		
- Stamp duty matter	**2,042,400**	2,042,400
- Income tax matter	**24,915,760**	-
- Others	**2,700,000**	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.

ii. **Capital Commitments**

₹

Particulars	**As at March 31, 2012**	As at March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	**35,207,155**	-

iii. **Other Commitments**

The Company has other commitments arising from purchase and sale of services, employee contracts, etc. It does not have any long-term commitment or material non-cancellable contractual commitments/contracts which might have material impact on the financials statements.

24. The year-end foreign currency exposures that have not been

hedged by a derivative instrument or otherwise is as follows:

	As at Marc 31, 2012 ₹	As at March 31, 2011 ₹	**As at Marc 31, 2012 FC**	As at March 31, 2011 FC
i) Trade and Other Receivables in Foreign Currency	**323,129,226**	372,328,377	**USD 6,352,059**	USD 8,350,042
	43,876,662		**SGD 1,083,000**	SGD -
ii) Trade and Other Payables in Foreign Currency	**189,331,938**	217,956,865	**USD 3,721,878**	USD 4,888,021
	19,024,650		**EURO 279,725**	EURO -
	54,361		**SGD 1,341**	SGD -
	135,464		**THB 82,000**	THB -

25. 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.

₹

	Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a)	Net Profit after Taxation	161,619,750	93,752,900
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 (₹)	100	100
f)	Basic Earnings per Share (₹)	28.02	16.26
g)	Diluted Earnings per Share (₹)	28.02	16.26

26. Leases

The Company is a lessee under various operating leases. Rental expense for operating leases for the year ended March 31, 2012 is ₹ 3,835,159 (Previous year ₹ 2,979,017). There is no non-cancellable lease as on March 31, 2012.

27. Employee benefit plans

a) Defined Contribution Plan:

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 13,097,423 (Previous year ₹ 7,402,406) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the scheme.

b) Defined Benefit Obligation

The status of the gratuity plan including reconciliation of the closing balance of the present value of defined benefit obligations and the fair value of plan assets are as follows:

₹

	As at March 31, 2012	As at March 31, 2011
Present value of obligations		
Balance as at the beginning of the year	**7,405,420**	4,591,440
Service Cost	**2,231,390**	1,426,040
Interest Cost	**543,890**	348,950
Benefits Paid	**(683,740)**	-
Actuarial (Gain)/Loss	**7,165,680**	1,038,990
Balance as at the end of the year	**16,662,640**	7,405,420
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 defined benefit obligations as at the end of the year	**16,662,640**	7,405,420
Liability recognised in the balance sheet as at the end of the year	**16,662,640**	7,405,420
Gratuity cost for the year		
Service Cost	**2,231,390**	1,426,040
Interest Cost	**543,890**	348,950
Net Actuarial (Gain)/Loss	**7,165,680**	1,038,990
Net Gratuity Cost	**9,940,960**	2,813,980

Actuarial Assumptions		
Discounting rate	**8.60%**	7.70%
Future salary increase	**11% for 2012, and 9.00% thereafter**	9% for 2011, 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	**31-Mar-12**
Defined Benefit Obligation	-	(3,576,280)	(4,591,440)	(7,405,420)	**(16,662,640)**
Plan Assets	-	-	-	-	**-**
Surplus/(Deficit)	-	(3,576,280)	(4,591,440)	(7,405,420)	**(16,662,640)**
Experience Gain/ (Loss) adjustments on Plan Liabilities	-	(644,700)	144,350	(1,026,140)	**(6,763,000)**
Experience Gain/ (Loss) adjustments on Plan Assets	-	-	-	-	**-**
Actuarial gain/(loss) due to change in assumptions	-	50,410	298,270	(11,850)	**(402,680)**

Actuarial assumptions for long - term compensated absences.

Actuarial Assumptions	**8.60%**	7.70%
Discounting rate		
Future salary increase	**11% for the first year, and 9.00% thereafter**	9% for 2011, and 8.00% thereafter
Expected Return on Assets	**-**	-
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%

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

28. Related Party Transactions

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

a) Holding Company : Tech Mahindra Limited

b) Enterprise having substantial interest in the Company :
- Mahindra Logistics Limited
- Tech Mahindra (Americas) Inc
- Satyam Computer Services Limited
- Tech Mahindra (Singapore) PTE Limited
- Tech Mahindra (Indonesia) PTE Limited
- Tech Mahindra (Thailand) Ltd

Related parties upto February 3, 2012:

- Motorola Inc.
- Motorola Arabia Inc
- Motorola Solutions India Private Limited (formerly known as Motorola India Private Limited)

c) Subsidiary Company : CanvasM (Americas) Inc

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

	Particulars	Year ended	
			(₹)
		March 31, 2012	March 31, 2011
a)	**Revenue**		
	Holding company		
	Tech Mahindra Limited		
	- Sales	**416,121,688**	141,654,892
	Subsidiary company		
	CanvasM (Americas) Inc		
	- Sales	**519,998,197**	506,441,922
	Enterprise having substantial interest in the Company		
	Motorola Inc		
	- Sales	**-**	12,343,522
	Satyam Computer Services Limited		
	- Sales	**36,167,652**	6,327,370
	Tech Mahindra (Singapore) PTE Limited		
	- Sales	**43,360,920**	-
	Tech Mahindra (Indonesia) PTE Limited		
	- Sales (Unbilled)	**1,785,924**	-
b)	**Expenses**		
	Holding company		
	Tech Mahindra Limited		
	- Purchased Services	**1,897,019**	16,712,574
	- Reimbursement of Salaries and Wages paid on behalf of the Company	**101,171,414**	4,554,044
	- Rent	**2,979,011**	2,979,017
	- Reimbursement of rent paid on behalf of the Company	**840,842**	-

(₹)

Particulars	Year ended	
	March 31, 2012	March 31, 2011
- Reimbursement for assets purchased on behalf of the Company	**2,768,027**	-
- Reimbursement for other expenses on behalf of the Company	**546,064**	-
Subsidiary company		
CanvasM (Americas) Inc		
- Purchased Services	**209,649,782**	226,793,314
Enterprise having substantial interest in the Company		
Tech Mahindra (Singapore) PTE Ltd		
- Reimbursement for other expenses on behalf of the Company	**52,800**	**-**
Tech Mahindra (Thailand) Ltd		
- Reimbursement for professional expenses on behalf of the Company	**147,874**	**-**
Tech Mahindra (Americas) Inc.		
- Reimbursement for professional expenses on behalf of the Company	**195,550**	**-**
Motorola Solutions India Private Limited		
- Purchased Services	**2,674,793**	55,863,950
Tech Mahindra (Americas) Inc.		
- Reimbursement for assets purchased on behalf of the company	**4,698,133**	-
Motorola Arabia Inc		
- Provision for doubtful debts	**-**	**-**
Reimbursement of expenses incurred on behalf of Holding company		
Tech Mahindra Limited	**25,167,388**	**-**
Advances given to employees reimbursed by Holding Company		
Tech Mahindra Limited	**10,136,519**	**-**
Tech Mahindra(Americas) Inc.	**1,034,052**	**-**
Tech Mahindra (Singapore) PTE Limited	**106,075**	**-**
Reimbursement of Flexi components paid on behalf of Holding Company		
Tech Mahindra Limited	**1,916,948**	**-**

c) **Balance outstanding as at the year end**

(₹)

Particulars	Year ended	
	March 31, 2012	March 31, 2011
Receivables		
Holding company		
Tech Mahindra Limited	**120,847,555**	51,135,565
Subsidiary company		
CanvasM (Americas) Inc	**197,011,790**	214,423,812
Enterprise having substantial interest in the Company		
Satyam Computer Services Limited	**9,619,388**	6,979,089
Tech Mahindra (Singapore) PTE Limited	**43,755,120**	**-**
Tech Mahindra (Indonesia) PTE Limited	**1,853,703**	**-**
Motorola Arabia Inc	**-**	688,519
Motorola Inc.	**-**	4,742,147
Other Receivables		
Holding company		
Tech Mahindra Limited	**1,389,429**	**-**
Enterprise having substantial interest in the company		
Tech Mahindra (Singapore) PTE Limited	**121,542**	**-**
Tech Mahindra (Americas) Inc.	**1,017,400**	**-**
Satyam Computer Services Limited	**176,713**	**-**
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
Payables		
Holding company		
Tech Mahindra Limited	**14,528,641**	10,102,652
Subsidiary company		
CanvasM (Americas) Inc	**112,815,162**	114,613,244
Enterprise having substantial interest in the Company		
Motorola India Private Limited	**-**	1,772,565
Tech Mahindra (Thailand) Limited	**135,464**	**-**
Tech Mahindra (Singapore) PTE Ltd	**54,362**	**-**
Tech Mahindra (Americas) Inc.	**5,611,300**	**-**
Prepaid Expenses		
Holding company		
Tech Mahindra Limited	**1,227,789**	2,054,556

29. Segment Reporting

The Company is a wholly owned subsidiary of Tech Mahindra Limited providing its partners a one-stop shop for all Value Added Service (VAS) requirements which includes VAS platform, application and product development, integration, hosting and deployment services 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 in respect of sale of services is as follows:

(₹)

Location	Year ended	
	March 31, 2012	March 31, 2011
Domestic	**471,191,341**	329,903,713
Americas	**528,600,761**	518,785,444
ROW	**98,658,132**	36,818,716
Total	**1,098,450,234**	885,507,873

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

30. Income - taxes

In accordance with Accounting Standard-22, Accounting for Taxes on Income, the tax effect of significant timing differences that reverse in one or more subsequent years gave rise to the following deferred tax assets as at March 31, 2012 :

₹

	As at March 31, 2012	As at March 31, 2011
Deferred tax assets in relation to :		
Depreciation	**26,399,470**	8,728,488
Provision for doubtful trade receivables	**27,194,189**	25,331,500
Provision for employee benefits	**9,674,307**	4,349,904
Others	**403,959**	1,863
Total	**63,671,925**	38,411,755

31. The Board of Directors of the Company has, at its meeting held on March 21, 2012, unanimously approved the draft Scheme of Amalgamation and Arrangement ('Scheme') of CanvasM Technologies Limited into Tech Mahindra Limited, the Holding Company with effect from April 01, 2011 under Sections 391 to 394 of the Companies Act, 1956 subject to the shareholders and other statutory approvals.

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

32.

a) Value of Imports on C.I.F. Basis

(₹)

	Year ended	
	March 31, 2012	March 31, 2011
Capital Goods	**203,682,874**	101,019,167
	203,682,874	101,019,167

b) Expenditure in foreign currency

(₹)

	Year ended	
	March 31, 2012	March 31, 2011
Travelling and Conveyance	**23,093,766**	13,046,996
Purchased Services	**355,484,059**	318,065,914
Salary	**100,179,787**	10,387,910
Repairs and Maintenance	**7,946,366**	8,247,566
Software Package	**-**	14,726,346
Professional charges	**979,819**	-
Others	**1,290,992**	218,102
	488,974,789	364,692,834

c) Earnings in foreign currency

(₹)

	Year ended	
	March 31, 2012	March 31, 2011
Revenue	**627,258,893**	555,604,160
	627,258,893	555,604,160

33. Reclassification

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Vineet Nayyar
Director

Manoj Bhat
Director

Yogesh Kandalgaonkar
Company Secretary

Place: New Delhi
Date : May 21, 2012

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies.

Particulars	**"CanvasM Americas Inc."**
The Financial Year of the Subsidiary ended on	March 31, 2012
	US $
Number of shares of the subsidiary Company held by Canvasm Technologies Limited at the above date	
Number of shares	100
Extent of holding	100%
The Net Aggregate of profits/losses of the Subsidiary Company for its financial year so far as they concern the members of Canvasm Technologies Limited	
a) Dealt with in the accounts of Canvasm Technologies Ltd. for the Year ended March 31,2012	
b) Not Dealt with in the accounts of Canvasm Technologies Ltd. for the Year ended March 31,2012	1,59,273
The Net Aggregate of profits/losses of the subsidiary Company for its previous financial years so far as they concern the members of Canvasm Technologies Ltd	
a) Dealt with in the accounts of Canvasm Technologies Ltd. for the Year ended March 31,2012	
b) Not Dealt with in the accounts of Canvasm Technologies Ltd. for the Year ended March 31,2012	2,54,025

For and on behalf of the Board of Directors

Vineet Nayyar
Director

Manoj Bhat
Director

Yogesh Kandalgaonkar
Company Secretary

Place: New Delhi
Date : May 21, 2012

CANVASM (AMERICAS) INC.

Board of Directors

Mr. C. P. Gurnani

Mr. Jagdish Mitra

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, 2012.

Financial Results:

For the year ended March 31,	2012 US $	2012 ₹	2011 US $	2011 ₹
Income	16,105,242	823,299,972	16,763,684	856,959,526
Profit/(Loss) before tax	245,777	12,564,139	283,997	14,517,927
Profit/(Loss)after tax	159,273	8,142,062	185,582	9,486,952

Review of operations:

During the fiscal year, the Company achieved sales of US$ 16,105,242 (equivalent to ₹ 823,299,972), a decrease of 3.93% 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. The profit has decreased by 14.18% over the last year.

Directors:

During the year under review, Mr. Ramadorai Meyoor had been appointed as Director w.e.f. 14th July 2011 in place of Mr. Navin Mehta, who had tendered his resignation. Subsequently, Mr. Ramadorai Meyoor resigned from the office of Director w.e.f. 10th February 2012.

Mr. C P Gurnani and Mr. Jagdish Mitra are the continuing 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.

C.P. Gurnani
Director

Pune, April 13, 2012

INDEPENDENT AUDITORS' REPORT

Board of Directors
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, 2012 and 2011, 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, 2012 and 2011, 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 auditing procedures applied in the audits of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Catrakilis & Company CPA's, P. C.

Atlanta, Georgia
April 13, 2012

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
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, 2012 and 2011, 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 ₹ 51.12 to 1.00 USD for both 2012 and 2011.

Catrakilis & Company CPA's, P. C.

Atlanta, Georgia
April 13, 2012

SUPPLIMENTAL BALANCE SHEETS

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

	March 31,			
	2012 USD	**2012 ₹**	**2011 USD**	**2011 ₹**
ASSETS:				
Current assets:				
Cash	**1,967,613**	**100,584,384**	1,175,150	60,073,668
Accounts receivable - trade (Note 4)	**382,012**	**19,528,476**	991,400	50,680,368
Prepaid income taxes	**270,914**	**13,849,122**	86,659	4,430,008
Due from parent company (Note 5)	**2,217,766**	**113,372,198**	2,570,431	131,400,433
Due from affiliated companies (Note 6)	**1,064,085**	**54,396,025**	1,719,330	87,892,150
Total current assets	**5,902,390**	**301,730,205**	6,542,970	334,476,627
Total Assets	**5,902,390**	**301,730,205**	6,542,970	334,476,627
LIABILITIES AND STOCKHOLDER'S EQUITY				
LIABILITIES:				
Current liabilities:				
Accounts payable	**25,368**	**1,296,816**	29,720	1,519,286
Accrued expenses	**854,898**	**43,702,388**	851,294	43,518,150
Due to parent company (Note 5)	**3,872,846**	**197,979,888**	4,808,784	245,825,038
Due to affiliated companies (Note 6)	**530,967**	**27,143,055**	392,647	20,072,115
Customer advance	**5,079**	**259,638**	47,404	2,423,292
Unearned revenue	**-**	**-**	43,958	2,247,133
Accrued income taxes	**199,834**	**10,215,514**	115,038	5,880,743
Total current liabilities	**5,488,992**	**280,597,299**	6,288,845	321,485,757
Total liabilities	**5,488,992**	**280,597,299**	6,288,845	321,485,757
Stockholder's Equity				
Common stock = $1 par value - 10,000 shares authorized 100 shares issued and outstanding	**100**	**5,112**	100	5,112
Retained earnings	**413,298**	**21,127,794**	254,025	12,985,758
Total stockholder's equity	**413,398**	**21,132,906**	254,125	12,990,870
Total Liabilities and Stockholder's Equity	**5,902,390**	**301,730,205**	6,542,970	334,476,627

Supplemental Statements of Income and Retained Earnings
For the Periods Ended March 31, 2012 and 2011

CanvasM (Americas) Inc.

Richardson Taxas

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

		Year ended March 31,			
		2012	**2012**	**2011**	**2011**
	Schedule	**USD**	**₹**	**USD**	**₹**
REVENUES (Note 4)	I	**16,105,242**	**823,299,972**	16,763,684	856,959,526
OPERATING EXPENSES					
Personnel		**312,329**	**15,966,241**	260,190	13,300,913
General and administrative	II	**15,547,136**	**794,769,592**	16,219,497	829,140,687
Total Operating Expenses		**15,859,465**	**810,735,833**	16,479,687	842,441,599
Total Operating Income (Loss)		**245,777**	**12,564,139**	283,997	14,517,927
Income Tax Expense (Benefit) (Note 3)		**86,504**	**4,422,077**	98,415	5,030,975
NET INCOME (LOSS)		**159,273**	**8,142,062**	185,582	9,486,952
Retained Earnings, Beginning of Period		**254,025**	**12,985,765**	68,443	3,498,806
Retained Earnings, End of Period		**413,298**	**21,127,827**	254,025	12,985,758

See accompanying notes to supplemental financial statements

Supplemental Statements of Cash Flows
For the Periods Ended March 31, 2012 and 2011

CanvasM (Americas) Inc.

Richardson Taxas

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

	Year ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	₹	**USD**	₹
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income (Loss)	**159,273**	**8,142,062**	185,582	9,486,952
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable, trade	**609,388**	**31,151,892**	(124,040)	(6,340,925)
Due from parent company	**(498,436)**	**(25,480,048)**	(1,849,417)	(94,542,197)
Prepaid income taxes	**(184,255)**	**(9,419,114)**	(55,346)	(2,829,288)
Deferred income tax asset	**-**	**-**	172	8,793
Due from affiliates	**1,506,346**	**77,004,408**	(1,116,001)	(57,049,971)
Accounts payable	**(4,352)**	**(222,470)**	(6,641)	(339,488)
Accrued expenses	**3,604**	**184,239**	451,903	23,101,281
Due to parent company	**(935,938)**	**(47,845,151)**	2,442,402	124,855,590
Due to affiliates	**138,320**	**7,070,940**	235,031	12,014,785
Customer advances	**(42,325)**	**(2,163,647)**	43,425	2,219,886
Unearned revenue	**(43,958)**	**(2,247,133)**	6,602	337,494
Accrued income taxes	**84,796**	**4,334,772**	98,243	5,022,182
Net Cash (Used In) Provided by Operating Activities	**792,463**	**40,510,749**	311,915	15,945,095
Cash , Beginning of Period	**1,175,150**	**60,073,668**	863,235	44,128,573
Cash, End of Period	**1,967,613**	**100,584,417**	1,175,150	60,073,668
Supplemental Disclosure Cash paid for income taxes	**185,954**	**9,505,968**	55,346	2,829,288

See accompanying notes to supplemental financial statements

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS (USD & INR)
March 31, 2012 and 2011
CanvasM (Americas) Inc.
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

1. NATURE OF OPERATIONS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. CASH AND CASH EQUIVALENTS

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

B. ACCOUNTS RECEIVABLE, TRADE

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

C. REVENUE AND EXPENSES

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

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

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

D. INCOME TAXES

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

E. RECLASSIFICATION

Certain prior year amounts have been reclassified to conform with current year presentation.

3. INCOME TAXES

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

	Year ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	**₹**	**USD**	**₹**
Current income tax expense consists of the following:				
Federal	**82,268**	**4,205,540**	91,302	4,667,358
State	**4,236**	**216,544**	6,941	354,824
Total current tax expense	**86,504**	**4,422,084**	98,243	5,022,182
Deferred income tax expense (benefit) consists of the following:				
State	**-**	**-**	172	8,793
Total deferred tax expense (benefit)	**-**	**-**	172	8,793
Total current and deferred income tax expense (benefit):	**86,504**	**4,422,084**	98,415	5,030,975

The Federal and State NOL carryforward was $0 (₹ 0) for both years ended March 31, 2012 and 2011.

In the ordinary course of business there are many transactions that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

4. CONCENTRATIONS WITH CUSTOMERS

	Year Ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	**₹**	**USD**	**₹**
Amounts due for services rendered and billed	**382,012**	**19,528,476**	991,400	50,680,368
	382,012	**19,528,476**	991,400	50,680,368

As at March 31, 2012 and 2011 100% of the accounts receivable balance was due from one customer.

Revenue, directly from the parent company, for the three months ended March 31, 2012 and 2011 was $1,034,018 (₹ 52,859,000) and $1,204,992 (₹ 61,599,191), respectively representing 39% and 21% of total revenue. Revenue, directly from the parent company for the years ended March 31, 2012 and 2011 was $4,346,468 (₹ 222,191,444) and $4,914,615 (₹ 251,235,119), respectively representing approximately 27% and 29% 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, 2012 and 2011 was $1,538,985 (₹ 78,672,913) and $3,600,865 (₹ 184,076,219), respectively representing approximately 58% and 63% of total revenue. Revenue from an affiliated company for the years ended March 31, 2012 and 2011 was $10,039,125 (₹ 513,200,070) and $8,335,645 (₹ 426,118,172), respectively representing approximately 62% and 50% 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, 2012 and 2011, 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.

	Year ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	**₹**	**USD**	**₹**
Beginning balance, due to parent company	**2,238,353**	**114,424,616**	1,645,368	84,111,210
Expenses related to contract revenue	**11,435,856**	**584,600,960**	11,588,195	592,388,526
Advances from parent	**4,699,132**	**240,219,629**	3,065,200	156,693,010
Amounts paid to parent	**(11,800,000)**	**(603,215,998)**	(8,566,385)	(437,913,588)
Revenue from parent company	**(4,346,468)**	**(222,191,443)**	(4,914,615)	(251,235,129)
Amounts retained for services provided (Note 2C)	**(571,793)**	**(29,230,056)**	(579,410)	(29,619,425)
Ending balance, due to parent company	**1,655,080**	**84,607,707**	2,238,353	114,424,605
Amounts due to parent company	**(3,872,846)**	**(197,979,888)**	(4,808,784)	(245,825,038)
Amounts due from parent company	**2,217,766**	**113,372,198**	2,570,431	131,400,433
Net amount due (to) parent company	**(1,655,080)**	**(84,607,690)**	(2,238,353)	(114,424,605)

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.

Tech Mahindra Americas, Inc. (“TMA”)

	Year ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	**₹**	**USD**	**₹**
Beginning balance, due (from) to TMA	**(1,471,677)**	**(75,232,130)**	(494,122)	(25,259,520)
Expense reimbursements	**3,940,747**	**201,450,985**	2,452,529	125,373,300
Advances from TMA	**10,749,585**	**549,518,783**	7,219,645	369,068,237
Amounts paid to TMA	**(3,682,013)**	**(188,224,507)**	(2,314,084)	(118,295,977)
Revenue from TMA	**(10,094,341)**	**(516,022,713)**	(8,335,645)	(426,118,168)
Ending balance, due (from) to TMA	**(557,699)**	**(28,509,582)**	(1,471,677)	(75,232,128)
Amounts due to TMA	**(506,386)**	**(25,886,474)**	(247,653)	(12,660,021)
Amounts due from TMA	**1,064,085**	**54,396,025.20**	1,719,330	87,892,149
Net amount due from (to) TMA	**557,699**	**28,509,551**	1,471,677	75,232,128

	Year ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	**₹**	**USD**	**₹**
Tech Mahindra Limited ("TML")				
Beginning balance, due (from) to TML	**144,997**	**7,412,245**	48,410	2,474,723
Expenses related to contract revenue	**178,523**	**9,126,094**	184,447	9,428,939
Amounts paid to TML	**(290,012)**	**(14,825,415)**	(78,641)	(4,020,124)
Amounts retained for services provided (Note 2C)	**(8,927)**	**(456,350)**	(9,222)	(471,445)
Ending balance, due (from) to TML	**24,581**	**1,256,573**	144,994	7,412,093
Amounts due to TML	**(24,581)**	**(1,256,583)**	(144,994)	(7,412,093)
Amounts due from TML	**-**	**-**	-	-
Net amount due from (to) TML	**(24,581)**	**(1,256,583)**	(144,994)	(7,412,093)

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 13, 2012, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 13, 2012, that would have material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES (USD & INR)
CanvasM (Americas) Inc.
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

	Year ended March 31,			
	2012	**2012**	**2011**	**2011**
	USD	**₹**	**USD**	**₹**
Schedule I				
REVENUES				
Contract revenue	**1,664,433**	**85,085,809**	3,513,424	179,606,235
Revenue from parent company	**4,346,468**	**222,191,444**	4,914,615	251,235,119
Revenue from affiliated companies	**10,094,341**	**516,022,712**	8,335,645	426,118,172
	16,105,242	**823,299,965**	16,763,684	856,959,526
Schedule II				
GENERAL AND ADMINISTRATIVE				
Bank charges	**800**	**40,895**	970	49,586
Contracted services	**15,446,169**	**789,608,139**	16,162,346	826,219,128
Professional fees	**14,000**	**715,680**	19,267	984,929
Other Expenses	**22,151**	**1,132,353**	-	-
Travel expenses	**64,016**	**3,272,480**	36,914	1,887,044
	15,547,136	**794,769,547**	16,219,497	829,140,687

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

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

DIRECTORS' REPORT
for the year ended March 31, 2012

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended March 31, 2012.

Principal activities

The principal activities of the Company are to act as developer, advisor, consultants and implement 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 services facility and generally, any type of business in connection therein.

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

Financial results

	RM
Profit for the year	827,781

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 March 31, 2012.

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 who held office since the date of the last report are as follows:

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 value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realisae.

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

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts of the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) 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 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 May 14, 2012.

Milind Vasant Kulkarni
Director

Jagdish Mitra
Director

Pune, India

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

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 with 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 at March 31, 2012 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, May 14, 2012.

Milind Vasant Kulkarni
Director

Jagdish Mitra
Director

Pune, India

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 India Notary Act,1952.

Subscribed and solemnly declared by
the abovenamed Milind Vasant Kulkarni
at Pune

Milind Vasant Kulkarni
Director

Before me,

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 March 31, 2012, 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 information, as set out on pages herein.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards Board and for such internal control as the Directors determine are 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 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 about 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 of financial statements that give a true and fair view 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 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 at March 31, 2012 and of its financial performance and cash flows for the year then ended.

SSY Partners
AF: 0040
Chartered Accountants

Jason Sia Sze Wan
No. 2376/05/12 (J)
Partner

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

Statement of Financial Position as at March 31, 2012

	Note	2012 RM	2012 ₹	2011 RM	2011 ₹
ASSETS					
Non-current assets					
Equipment	5	**2,767**	**46,596**	6,934	116,769
Current assets					
Trade and other receivables	6	**5,632,862**	**94,857,396**	7,516,395	126,576,092
Amount due from holding corporation	7	**448,733**	**7,556,664**	-	-
Cash and bank balances		**390,975**	**6,584,019**	1,709,610	28,789,832
		6,472,570	**108,998,079**	9,226,005	155,365,924
TOTAL ASSETS		**6,475,337**	**109,044,675**	9,232,939	155,482,693
EQUITY AND LIABILITIES					
Equity attributable to equity holder of the Company					
Share capital	8	**312,822**	**5,267,922**	312,822	5,267,922
Retained earnings		**1,705,059**	**28,713,193**	877,278	14,773,361
TOTAL EQUITY		**2,017,881**	**33,981,115**	1,190,100	20,041,283
Current liabilities					
Trade and other payables	9	**4,457,456**	**75,063,560**	3,174,748	53,462,757
Amount owing to holding corporation	7	**-**	**-**	4,868,091	81,978,653
TOTAL LIABILITIES		**4,457,456**	**75,063,560**	8,042,839	135,441,410
TOTAL EQUITY AND LIABILITIES		**6,475,337**	**109,044,675**	9,232,939	155,482,693

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

Statement of Comprehensive Income for the year ended March 31, 2012

	Note	**2012 RM**	**2012 ₹**	2011 RM	2011 ₹
Revenue					
Service income		**31,285,178**	**526,842,398**	21,842,998	367,836,086
Cost of services		**(28,543,139)**	**(480,666,461)**	(20,688,332)	(348,391,511)
Gross profit		**2,742,039**	**46,175,937**	1,154,666	19,444,575
Other operating income		**216,818**	**3,651,215**	381	6,416
Administrative expenses		**(2,131,076)**	**(35,887,320)**	(724,037)	(12,192,783)
Profit before taxation	10	**827,781**	**13,939,832**	431,010	7,258,208
Taxation	12	**-**	**-**	-	-
Profit for the year		**827,781**	**13,939,832**	431,010	7,258,208

Statement of Changes in Equity for the year ended March 31, 2012

In Ringgit Malaysia	**Share capital RM**	**Retained earnings RM**	**Total RM**
At 1 April 2011	**312,822**	**877,278**	**1,190,100**
Profit for the year	**-**	**827,781**	**827,781**
At March 31, 2012	**312,822**	**1,705,059**	**2,017,881**
At April 1, 2010	312,822	446,268	759,090
Profit for the year	-	431,010	431,010
At March 31, 2011	312,822	877,278	1,190,100

In Indian Rupee	**Share capital ₹**	**Retained earnings ₹**	**Total ₹**
At April 1, 2011	**5,267,922**	**14,773,361**	**20,041,283**
Profit for the year	**-**	**13,939,832**	**13,939,832**
At March 31, 2012	**5,267,922**	**28,713,193**	**33,981,115**
At April 1, 2010	5,267,922	7,515,153	12,783,075
Profit for the year	-	7,258,208	7,258,208
At March 31, 2011	5,267,922	14,773,361	20,041,283

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

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

Statement of Cash Flows for the year ended March 31, 2012

	Note	**2012** RM	**2012** ₹	2011 RM	2011 ₹
Cash flows from operating activities					
Profit before taxation		**827,781**	**13,939,832**	431,010	7,258,208
Adjustments for:					
Depreciation on equipment		**4,167**	**70,173**	6,149	103,549
Unrealised gain on foreign exchange		**-**	**-**	(10,984)	(184,970)
Allowance for doubtful debts		**1,002,598**	**16,883,750**	86,733	1,460,584
Operating profit before changes in working capital		**1,834,546**	**30,893,755**	512,908	8,637,371
Decrease/(increase) in trade and other receivables		**880,935**	**14,834,946**	(1,202,653)	(20,252,677)
Increase in amount due from holding corporation		**(448,733)**	**(7,556,664)**	-	-
Increase in trade and other payables		**1,282,708**	**21,600,803**	443,798	7,473,558
(Decrease)/increase in amount owing to holding corporation		**(4,868,091)**	**(81,978,653)**	1,767,214	29,759,884
Net cash (used in)/generated from operating activities		**(1,318,635)**	**(22,205,813)**	1,521,267	25,618,136
Cash flows from investing activities					
Purchase of equipment		**-**	**-**	(2,630)	(44,289)
Net cash used in investing activities		**-**	**-**	(2,630)	(44,289)
Net (decrease)/ increase in cash and cash equivalents		**(1,318,635)**	**(22,205,813)**	1,518,637	25,573,847
Cash and cash equivalents at beginning of the year		**1,709,610**	**28,789,832**	190,973	3,215,985
Cash and cash equivalents at end of the year	13	**390,975**	**6,584,019**	1,709,610	28,789,832

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

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

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 53 (2011: 48).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated May 14, 2012.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Companies Act 1965 and 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 Companies Act 1965 and 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 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 classified 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 designated 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 assets or recognising the gains and losses on them on different bases; or

- 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.

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 classified 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 ‘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 designated 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.

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 of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

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 ₹16.84 = RM1 which approximates the market rate as at March 31, 2012. Comparative figures are also translated at this rate.

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

	2012	2011
	RM	RM
1 United States Dollar (USD)	**3.0600**	3.0382

4. Changes in accounting policies

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 effective for the financial periods beginning on or after 1 April 2011:

FRS 1:	First-time Adoption of Financial Reporting Standards
FRS 127:	Consolidated and Separate Financial Statements
Amendments to FRS 1:	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
Amendments to FRS 7:	Disclosures – Transfers of Financial Assets
Amendments to FRS 7:	Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to FRS 9:	Mandatory Effective Date of FRS 9 and Transition Disclosures
Amendments to FRS 112:	Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 127:	Consolidated and Separate Financial Statements
Amendments to FRS 128:	Investments in Associates
IC Interpretation 19:	Extinguishing Financial Liabilities With Equity Instruments
Amendments to IC Interpretation 14:	Prepayments of a Minimum Funding Requirement
Adoption of the above FRSs did not have any significant effect on the financial performance, position or presentation of financial information of the Company.	
The Company has not adopted the following FRSs that have been issued by the MASB but are not yet effective.	
FRS 9*:	Financial Instruments
FRS 10:	Consolidated Financial Statements
FRS 11:	Joint Arrangements
FRS 12:	Disclosure of Interests in Other Entities
FRS 13:	Fair Value Measurement
FRS 112:	Deferred Tax: Recovery of Underlying Assets
FRS 119:	Employee Benefits
FRS 124:	Related Party Disclosures
FRS 127:	Separate Financial Statements
FRS 128:	Investment in Associates and Joint Ventures
FRS 132*:	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1:	Government Loans
Amendments to FRS 7:	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 101:	Presentation of Items of Other Comprehensive Income
IC Interpretation 20:	Stripping Costs in the Production Phase of a Surface Mine

The new FRSs will be applicable to the Company for financial year beginning 1 April 2013 except for those marked "*" will be applicable for financial year beginning 1 April 2014.

Malaysian Financial Reporting Standards

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending March 31, 2013. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The Company is currently in the process of determining the financial impact arising from the MFRS Framework.

5. Equipment

	Computer	
	RM	₹
Carrying amount		
At April 1, 2011	**6,934**	116,769
Depreciation charge	**(4,167)**	(70,173)
At March 31, 2012	**2,767**	46,596
At March 31, 2012		
Cost	**25,252**	425,244
Accumulated depreciation	**(22,485)**	(378,648)
Carrying amount	**2,767**	46,596
Carrying amount		
At April 1, 2010	**10,453**	176,029
Additions	**2,630**	44,289
Depreciation charge	**(6,149)**	(103,549)
At March 31, 2011	**6,934**	116,769
At March 31, 2011		
Cost	**25,252**	425,244
Accumulated depreciation	**(18,318)**	(308,475)
Carrying amount	**6,934**	116,769

6. Trade and other receivables

	2012	**2012**	2011	2011
	RM	₹	RM	₹
Trade receivables	**6,457,374**	**108,742,178**	7,445,928	125,389,428
Less: Allowance for doubtful debts	**(1,089,331)**	**(18,344,334)**	(86,733)	(1,460,584)
	5,368,043	**90,397,844**	7,359,195	123,928,844
Other receivables	**264,819**	**4,459,552**	157,200	2,647,248
	5,632,862	94,857,396	7,516,395	126,576,092

7. Holding corporation

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

Amount due from holding corporation is unsecured, interest free and repayable on demand.

The significant account balances with holding corporation are as follows:

	2012	**2012**	2011	2011
	RM	₹	RM	₹
Amount due from holding corporation	**3,521,040**	**59,294,314**	1,326,922	22,345,366
Amount due to holding corporation	**(3,072,307)**	**(51,737,650)**	(6,195,013)	(104,324,019)
	448,733	**7,556,664**	(4,868,091)	(81,978,653)

8. Share capital

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Authorised:				
5,000,000 ordinary shares of RM1 each	**5,000,000**	**84,200,000**	5,000,000	84,200,000
Issued and fully paid:				
312,822 ordinary shares of RM1 each	**312,822**	**5,267,922**	312,822	5,267,922

9. Trade and other payables

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Trade payables	**-**	**-**	333,299	5,612,755
Other payables	**730,409**	**12,300,088**	687,244	11,573,189
Advance billings	**1,680,194**	**28,294,467**	1,509,103	25,413,295
Amount due to affiliated corporation	**1,693,807**	**28,523,710**	-	-
Provision for expenses	**353,046**	**5,945,295**	645,102	10,863,518
	4,457,456	**75,063,560**	3,174,748	53,462,757

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

Amount due to affiliated corporation is unsecured, interest free and repayable on demand.

10. Profit before taxation

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Profit before taxation is arrived at after charging:				
Staff costs (Note 11)	**7,333,949**	**123,503,701**	5,702,978	96,038,149
Depreciation on equipment	**4,167**	**70,173**	6,149	103,549
Net realised loss on foreign exchange	**-**	**-**	258,077	4,346,017
Auditors' remuneration				
- current year	**14,800**	**249,232**	11,800	198,712
- underprovision in prior year	**-**	**-**	1,800	30,312
Allowance for doubtful debts	**1,002,598**	**16,883,750**	86,733	1,460,584
Rental of premises	**511,894**	**8,620,295**	67,125	1,130,385
and crediting:				
Unrealised gain on foreign exchange	**10,255**	**172,694**	10,984	184,970
Net realised gain on foreign exchange	**206,563**	**3,478,521**	-	-

11. Staff costs

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Salaries and allowances	**7,243,487**	**122,470,416**	5,657,929	95,279,524
EPF and Socso	**81,062**	**874,990**	45,049	758,625
Allowances – short term	**9,400**	**158,295**	-	-
	7,333,949	**123,503,701**	5,702,978	96,038,149

12. Taxation

No income tax is provided for the current financial year as the Company was awarded MSC Malaysia Status and is eligible for income tax exemption on statutory income from November 15, 2007 to November 14, 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:

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Profit before taxation	**827,781**	**13,939,832**	431,010	7,258,208
Taxation at Malaysian statutory rate of 25%	**206,945**	**3,484,958**	107,753	1,814,561
Tax effect of expenses not deductible for tax purposes	**20,633**	**347,460**	26,712	449,830
Tax exempt income	**(227,578)**	**(3,832,418)**	(134,465)	(2,264,391)
	-	**-**	-	-

13. Cash and cash equivalents

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Cash in hand	**2**	**34**	2	34
Cash at bank (USD account)	**342,821**	**5,773,105**	545,940	9,139,630
Cash at bank	**48,152**	**810,880**	1,163,668	19,596,168
	390,975	**6,584,019**	1,709,610	28,789,832

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:

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
Revenue				
Service income charged to holding corporation	**14,641,802**	**246,567,946**	7,614,515	128,228,433
Expenses				
Cost of services charged by holding corporation	**16,643,376**	**280,274,452**	14,228,483	239,607,654

Additional information

i Analysis of movement of amount due to holding corporation

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
At April 1, 2011 / 2010	**(4,868,091)**	**(81,978,652)**	(3,100,877)	(52,218,769)
Service income charges	**14,641,802**	**246,567,946**	7,626,158	128,424,501
Cost of services charged	**(16,643,376)**	**(280,274,452)**	(14,228,483)	(239,607,654)
Other reimbursement (net)	**(3,093,559)**	**(52,095,534)**	(9,412,983)	(158,514,634)
Payments	**22,855,875**	**384,892,935**	16,331,706	275,025,929
Receipts	**(12,443,918)**	**(209,555,579)**	(2,083,612)	(35,088,026)
At March 31, 2012 / 2011	**448,733**	**7,556,664**	(4,868,091)	(81,978,653)

ii Analysis of movement of amount due to affiliated corporation

	2012	**2012**	2011	2011
	RM	**₹**	RM	₹
At April 1, 2011 / 2010	**-**	**-**	-	-
Cost of services charged	**(1,693,807)**	**(28,523,710)**	-	-
Other reimbursement (net)	**453,396**	**7,635,189**	-	-
Payments	**(453,396)**	**(7,635,189)**	-	-
At March 31, 2012 / 2011	**(1,693,807)**	**(28,523,710)**	-	-

15. Fair values of the financial instruments

The fair values of the financial instruments of the Company as at March 31, 2012 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.

17. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ["L&R"]

(b) Other financial liabilities ["OFL"]

	Note	Carrying amount RM	L&T RM	OFL RM
2012				
Financial assets				
Trade and other receivables	6	**5,632,862**	**5,632,862**	**-**
Amount due from holding corporation	7	**448,733**	**448,733**	**-**
Cash and bank balances		**390,975**	**390,975**	**-**
At March 31, 2012		**6,472,570**	**6,472,570**	**-**
Financial liabilities				
Trade and other payables	9	**4,457,456**	**-**	**4,457,456**
At March 31, 2012		**4,457,456**	**-**	**4,457,456**
2011				
Financial assets				
Trade and other receivables	6	7,516,395	7,516,395	-
Cash and bank balances		1,709,610	1,709,610	-
At March 31, 2011		9,226,005	9,226,005	-
Financial liabilities				
Trade and other payables	9	3,174,748	-	3,174,748
Amount owing to holding corporation	7	4,868,091	-	4,868,091
At March 31, 2011		8,042,839	-	8,042,839
2012				
Financial assets				
Trade and other receivables	6	**94,857,396**	**94,857,396**	**-**
Amount due from holding corporation	7	**7,556,664**	**7,556,664**	**-**
Cash and bank balances		**6,584,019**	**6,584,019**	**-**
At March 31, 2012		**108,998,079**	**108,998,079**	**-**
Financial liabilities				
Trade and other payables	9	**75,063,560**	**-**	**75,063,560**
At March 31, 2012		**75,063,560**	**-**	**75,063,560**
2011				
Financial assets				
Trade and other receivables	6	126,576,092	126,576,092	-
Cash and bank balances		28,789,832	28,789,832	-
At March 31, 2011		155,365,924	155,365,924	-
Financial liabilities				
Trade and other payables	9	53,462,757	-	53,462,757
Amount owing to holding corporation	7	81,978,653	-	81,978,653
At March 31, 2011		135,441,410	-	135,441,410

18. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

Detailed Income Statement for the year ended March 31, 2012

	Financial year ended March 31, 2012		**Quarter ended March 31, 2012**		Financial year ended March 31, 2011		Quarter ended March 31, 2011	
	RM	**₹**	**RM**	**₹**	RM	₹	RM	₹
Revenue	**31,285,178**	**526,842,398**	**8,855,918**	**149,133,659**	21,842,998	367,836,086	5,410,265	91,108,863
Less: Cost of services	**28,543,139**	**480,666,461**	**7,328,195**	**123,406,803**	20,688,332	348,391,511	5,147,085	86,676,912
Gross profit	**2,742,039**	**46,175,937**	**1,527,723**	**25,726,856**	1,154,666	19,444,575	263,180	4,431,951
Add: Other income	**216,818**	**3,651,215**	**(60,635)**	**(1,021,094)**	381	6,416	-	-
Reversal of provision for doubtful debts	**-**	**-**	**-**	**-**	-	-	29,425	495,517
	2,958,857	**49,827,152**	**1,467,088**	**24,705,762**	1,155,047	19,450,991	292,605	4,927,468
Administrative expenses	**(2,131,076)**	**(35,887,320)**	**(1,187,083)**	**(19,990,478)**	(724,037)	(12,192,783)	(185,996)	(3,132,172)
Profit before taxation	**827,781**	**13,939,832**	**280,005**	**4,715,284**	431,010	7,258,208	106,609	1,795,296
Taxation	**-**	**-**	**-**	**-**	-	-	-	-
Profit after taxation	**827,781**	**13,939,832**	**280,005**	**4,715,284**	431,010	7,258,208	106,609	1,795,296

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

Certified Public Accountants

Beijing

DIRECTORS' REPORT

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

Financial Results

For the year ended December 31,	**2011 RMB**	**2011 ₹**	2010 RMB	2010 ₹
Income	**3,160,500**	**26,674,620**	88,037	743,032
Profit/(Loss) before tax	**756,500**	**6,384,860**	(2,142,165)	(18,079,873)
Profit/(Loss)after tax	**756,500**	**6,384,860**	(2,142,165)	(18,079,873)

Review of Operations:

The Company continued its marketing activities and on income of RMB 3,160,500 (₹ 26,674,620) there was a profit of RMB 756,500 (₹ 6384,860).

Directors:

There were no changes in the directors during the year under review.

Outlook for the current year:

The Company is optimistic of getting business in near future.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the employees, bankers, State and other Government Authorities and support from the shareholder.

C.P. Gurnani
Director

Place: Pune
Date: April 24, 2012

REPORT OF THE AUDITORS

Shengjiawaishenzi[2012]No.018

TO TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

We have accepted the entrustment from Tech Mahindra (Beijing) IT Services Ltd. and have audited the accompanying balance sheet of the Company as of December 31, 2011 and the related consolidated cash flow statements, profit/loss and profit distribution statements for the year then ended.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China's Auditing Standards for the Certified Public Accountants. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 financial statements of the Company comply with the requirements of the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and present fairly, in all material respects, the financial position of the Company as at 31 December 2011, and the results of operations and cash flows of the Company for the year ended 31 December 2011.This report is only used as the correrponding part of the chinese part of this year, but not for other usage.

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co.,Ltd
PRC Certified Public Accountants: Zhang Dan
PRC Certified Public Accountants: Wu Bo
Beijing PRC, April 24, 2012

Balance Sheet (As of 31 December 2011)

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	12,614.73	**799,627.16**	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	212,317.17	**42,695.00**
Accounts receivable	6	-	**366,052.45**	Staff welfare fund unpaid	73		
Other receivables	7	333,444.40	**3,405.76**	Dividend unpaid	74		
Prepayments	8	-	**54,612.99**	Tax unpaid	75	94,017.86	**22,238.00**
Subsidy receivable	9			Other outstanding payments	80	2,834,432.53	**3,177,704.32**
Inventories	10			Other expenses	81		
Deferred expenses	11	22,850.88	**-**	Contingent liabilities	82		
Long-term investment in bonds to be expired within one year	21						
Other current assets	24			Long-term liabilities to be expired within one year	86		
Total current assets	31	368,910.01	**1,223,698.36**	Other current liabilities	90		
Long-term investment:							
Long-term investment in stocks	32			Total current liabilities	100	3,140,767.56	**3,242,637.32**
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	**27,369.20**	Long-term accounts payable	103		
Less:Accumulated depreciation	40	8,044.31	**13,892.79**	Specific payable	106		
Fixed assets, net value	41	9,894.89	**13,476.41**	Other long-term liabilities	108		
Less:Provision for devaluation of fixed assets	42			Total long-term liabilities	110	-	**-**
Fixed assets, net amount	43	9,894.89	**13,476.41**	Deferred taxation:			
Construction materials	44			Deferred tax, credit	111		
Construction in progress	45			Total liabilities	114	3,140,767.56	**3,242,637.32**
Disposal of fixed assets	46						
Total fixed assets	50	9,894.89	**13,476.41**	Shareholders' Equity:			
Intangible and other assets:				Share capital	115	3,314,450.50	**3,314,450.50**
Intangible assets	51			Less:Investment Returned	116		
Long-term deferred expenses	52			Paid-up capital (stock)	117	3,314,450.50	**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 profit	121	(6,076,413.16)	**(5,319,913.05)**
Deferred taxation, debit	61			Shareholders' Equity:	122	(2,761,962.66)	**(2,005,462.55)**
Total Assets	67	378,804.90	**1,237,174.77**	Total Liabilities and Shareholders' Equity	135	378,804.90	**1,237,174.77**

Income Statement (For the year 2011)

RMB Yuan

Item	No.	Last year cumulative	**Current year cumulative**
1. Principal operating revenues	1	88,036.89	**3,160,500.36**
Less: operating cost	4		
Operating tax and subsidies	5	-	**173,827.53**
2. Principal operating profit	10	88,036.89	**2,986,672.83**
Add: Other operating profit	11		
Less: Operating expense	14	1,794,689.75	**1,546,733.78**
Administration expense	15	426,502.81	**656,333.69**
Financial expense	16	11,402.19	**2,436.48**
3. Operating profit	18	(2,144,557.86)	**781,168.88**
Add: Investment income	19		
Subsidy income	22		
Non-operating income	23	2,804.40	**-**
Less: Non-operating expense	25	411.75	**24,668.77**
4. Total profit	27	(2,142,165.21)	**756,500.11**
Less:Income tax payable	28		
5. Net profit	30	(2,142,165.21)	**756,500.11**

Income Statement (For the year 2011) Contd.

RMB Yuan

Item	No.	Last year cumulative	**Current year cumulative**
6. Net profit	48	(2,142,165.21)	**756,500.11**
plus : (i) Beginning balance of Retained Earnings	49	(3,934,247.95)	**(6,076,413.16)**
(ii) Surplus to compensate for loss	50		
(iii) Other adjustment factor	51		
7. Profit available for distribution	52	(6,076,413.16)	**(5,319,913.05)**
Less: (i) statutory surplus reserve	53		
(ii) The statutory public welfare fund	54		
(iii) Staff bonus and welfare fund	55		
(iv) Withdrawal reserve fund	56		
(v) Appropriation of Enterprise Expansion Fund	57		
(vi) Profit capitalized on return of investment	58		
(vii) Supplementary current capital	59		
(viii) Single retained profit	60		
(ix) Other	61		
8. Distributable profit for investors	62	(6,076,413.16)	**(5,319,913.05)**
Less: (i) Dividend payable on preferred stock	63		
(ii) Discretionary surplus reserve	64		
(iii) Common stock dividends payable (profits payable)	65		
(iv) Transferred to capital (capital stock) common stock dividend	66		
(v) Other	67		
9. Undistributed profits	68	(6,076,413.16)	**(5,319,913.05)**
Along which : Annual pre-tax profits after irreparable loss.	69		
Supplementary information	70		
(i) sale, disposal or investment sector units proceeds	71		
(ii) the loss of natural disasters (loss to "+" to fill a column)	72		
(iii) changes in accounting policies influence the profit total amount	73		
(iv) change in accounting estimate affects the profit total amount	74		
(v) debt recombination losses (loss to "+" to fill a column)	75		
(vi) other non-recurring gains and losses (gains with "+" to fill a column)	76		

Cash flow Statement (For the year ended December 31, 2011)

RMB Yuan

	Items	No.	**Amount**
1.	Cash flows from operating activities		
	Cash inflow from sale of goods and provision of services	1	**3,160,500.36**
	Repayment of tax received	3	
	Other cash inflow relating to operating activities	8	
	Total cash inflow	9	**3,160,500.36**
	Payments for purchase of goods and receipt of services	10	
	Payments to and for staff	12	**823,889.07**
	Taxation paid	13	**420,206.22**
	Other Payments relating to operating activities	18	**2,002,428.64**
	Total cash outflow	20	**3,246,523.93**
	Net cash inflow/outflow generated from operations	21	**(86,023.57)**
2.	Cash flow from investing activities		
	Cash inflow from retirement of investment	22	
	Cash inflow from profit of investment	23	
	Cash gain of disposal of fixed assets, intangible assets, and other long-term investment	25	
	Other proceeds relating to investment activities	28	
	Total cash inflow	29	
	Purchase of fixed assets, intangible assets and other long-term assets	30	**9,430.00**
	Cash paid for investment	31	
	Other cash paid relating to investment activities	35	
	Total cash outflow	36	**9,430.00**
	Net cash inflow/outflow generated from investment activities	37	**(9,430.00)**
3.	Cash flows from financing activities:		
	Absorption of investment	38	**882,466.00**
	Borrowings raised	40	
	Other cash inflow relating to financing activities	43	
	Total cash inflow	44	**882,466.00**
	Borrowings repaid	45	
	Dividend, interest and profit paid	46	
	Other cash outflow relating to financing activities	52	
	Total cash outflow	53	
	Net cash inflow/outflow generated from financing activities	54	**882,466.00**
4.	Influence of fluctuation of exchange rate	55	
5.	Net increase in cash and cash equivalents	56	**787,012.43**

Cash flow Statement (For the year ended December 31, 2011)

RMB Yuan

	Supplementary information	No.	**Amount**
1.	Adjustment of net profit to cash flows generated from operations:		
	Net profit	57	**756,500.11**
	Add:Provision for devaluation of assets	58	
	Depreciation of fixed assets	59	**9,430.00**
	Amortization of intangible assets	60	
	Amortization of long-term expense	61	
	Decrease of deferred expenses (Less: increase)	64	**22,850.88**
	Increase of pre-paid expense (Less: decrease)	65	
	Loss on disposal of fixed assets, intangible assets and other long-term assets (less: gain)	66	
	Loss on retirement of fixed assets	67	
	Financial expense	68	
	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	**(976,674.32)**
	Increase of payables in operations (less: decrease)	73	**101,869.76**
	Others	74	
	Net cash inflow/outflow generated from operations	75	**(86,023.57)**
2.	Investing and financing activities not relating to cash flows		
	Capital transferred from liabilities	76	
	Transferable bonds to be expired within one year	77	
	Fixed assets transferred from financing activities	78	
3.	Net increase in cash and cash equivalents		
	Cash and bank balances at end of period	79	**799,627.16**
	Less: Cash and bank balances at beginning of period	80	**12,614.73**
	Cash equivalent at end of period	81	
	Less: Cash equivalent at beginning of period	82	
	Net increase in cash and cash equivalents	83	**787,012.43**

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Notes to financial statements

December 31, 2011

(The currency are presented in RMB except otherwise stated)

I. The Company's General Profile

As a wholly foreign-owned enterprises, Tech Mahidra (Beijing) IT Services Limited was invested and established by Tech Mahindra. 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 September 24, 2007 with the Business License QDJZZ No. 0535505. The registered capital of the company is US$500,000.00. The Company's registered address is C-292, 29th Floor, Zhong Huan Shi Mao Building, No. A6 Jian Guo Men Wai 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.

II. Basis of Preparation

According to ASBE (Accounting Standards for Business Enterprise) and Enterprise Accounting System issued by the Ministry of Finance of PRC, make confirmation and measurement and formulate financial statement on this basis.

III. Compliance of Accounting Standards of Business Enterprises

The financial statements prepared by the Company are subject to requirements from the Accounting Standards and present fairly the Company's financial position, operation results, cash flow and other related information.

IV. Significant Accounting Policies and Accounting Estimates

1. Accounting period

The accounting period of the Company is from January 1 to December 31.

2. Book-keeping Currency

The company's financial records and the financial statements are stated in Renminbi.

3. Principles of accounting and measurement (Measurement attribute)

The Company uses the accrual method as its basis of accounting. All assets are measured at history cost, except for financial assets for trading and financial assets available-for-sale which are measured at fair value.

4. Foreign exchange translation

The foreign currency running business involved in the accounting year of this company shall be converted into RMB for bookkeeping in accordance with the market exchange rate (middle rate) of actual occurring date of business. The ending balance of foreign currency of the account of all foreign currencies shall be adjusted by converting as standard money as per the year-ending market exchange rate. The balance occurred shall be counted as exchange gain or loss.

As for the subcompanies taking foreign currency as bookkeeping recording base money, the all the assets and items of liabilities when formulating the current-year RMB financial statements shall be converted as the bookkeeping standard money of the parent company in line with the market exchange rate on the day of consolidated financial statements.

All the owner's equity items except "Undistributed Profit" shall be converted as the standard money of the parent company in line with the market exchange rate on the day.

Items of profits and losses and items of the related amount incurred in the profit distributed table shall be converted as the standard money of the parent company as per the average exchange rate during the consolidated financial statements.

Items of income and fees in cash flow statements shall be converted as the standard money of the parent company as per the average exchange rate during the consolidated financial statements.

The increased and decreased items related to long-term liabilities, long-term investment, fixed assets, deferred assets and intangible assets shall be converted as the bookkeeping standard money of the parent company as per the average exchange rate of the consolidated financial statements on final settlement day. Items of net increases amount related to assets shall be converted into the bookkeeping standard money the parent company as per the exchange rate when occurring. The settlement differences produced due to different exchange rate shall be reflected in the items of conversion balance of foreign currency statements.

5. Recognition of Cash and cash equivalents

5.1 Cash in the cash flow statement indicates the cash on hand and the deposit in bank available for a payment at any time.

5.2 Cash equivalents in the cash flow statement are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of value change.

6. Business accounting methods of short-term investment

Short-term investment refers to the investment which was bought by the company, converted into cash and the holding time shall not be more than one year, including stocks, securities and fund.

Short-term investment shall be actual cost evaluation after getting, that is, the cash dividends deducting from the actual paid cost, declared but not got, or interests due the payment date and not got.

When disposing short-term investment, confirm the balance between the received disposal income and short-term book value as the investment income of the current period.

At the end of period, make valuation as per the lower one of cost and market price. The balance which the market price is lower than the cost shall be prepared in line with the short-term investment depreciation of single-item accrual. If the market price rises in the succeeding year, it shall be transferred back within the amount form the confirmed investment loss.

7. Accounting Methods of Bad Debt

7.1 Standards confirming accounts payables as bad debt

- The debtor has been dead. After the heritage is paid off, the debt can still be taken back.
- The debtor goes bankruptcy. After the bankruptcy property is paid off, the debt can still be taken back.
- The debtor has not fulfilled the liabilities payment in a long period and there is enough evidence to prove it impossible or very little possibility to take back.

7.2 The accounting methods of this company's bad debt adopt allowance method. The counting and drawing method of bad debt preparation adopts single-item specific identification method. Confirm the bad debt preparation for counting and drawing as per customers respectively.

8. Inventory Accounting Method

8.1 Classification of inventory: the inventory of this company includes the raw materials stored for sales or consumption during the production and management process, inventory goods, finished products, goods in process (in research), entrusted processing materials, outsourcing semi-finished products, low priced and easily worn articles and wrappage, etc.

8.2 Valuation method of getting and issuing: the raw materials, entrusted processing materials, goods in process (in research) shall be valued as per the actual cost. The sent raw materials and goods in process (in research) shall be valued as per the method of weighted mean.

8.3 Amortization method of low priced and easily worn articles and wrappage: low priced and easily worn articles shall be amortized through once write-off method according to the actual conditions when receiving.

8.4 Inventory system of stock: the stock method of this company's inventory quantity is perpetual inventory system.

8.5 The confirmation standard and counting and drawing method of inventory falling price reserves: adopt the valuation principle of "the lower one of book cost and net realizable value" at the end of period. Principally, accrue the inventory falling price reserves according to the balance of single-item net realizable value lower than the cost. Net realization value is determined by deducting the estimated cost, estimated selling expenses and the related taxes when completion from the estimated selling price of inventory.

Accrue inventory falling price reserves in the case of following conditions:

A. Market price continues to fall and may not rise in the foreseeable future.

B. The product cost of using the raw materials production is greater than the selling price of the products.

C. Due to product upgrade, the original inventory materials fail to meet the requirement of new products. The market price of the original materials is lower than the book value.

D. The outmoded products and service supply or change of consumers' preference makes the market's requirement changed, causing the market price gradually fall.

E. Other cases proving the inventory decrease in value

In the case of next item or some other items, transfer the book value of inventory to the profits and losses of current period completely. Write off it once.

(1) Inventory already mildewed and rotten

(2) Inventory dated and no transferring value

(3) Inventory not required in production, without using value and transferring value.

(4) Other inventory proven without using value and transferring value.

9. Long-term investment accounting method

9.1 Long-term equity investment

- Investment of stocks

  The actually paid total amount shall be calculated into the cost for what purchases stocks in monetary capital in this company. If the actually-paid amount includes the declared issued dividend, then take the net amount deducting the declared issued dividend from actually paid amount as the initial investment cost. In case of converting into shares in the form of material object and intangible assets take the value of agreed agreement and contract and confirmed value after assets appraisal as the cost.

- Other equity investment

  The part investing in the form of monetary capital shall be converted into the cost as per the actually paid amount. The investment cost of long-term equity got by deserting non-cash assets shall be determined by the book value of deserted non-cash assets adding related payable taxes and fees.

- Determining method of income

  If adopting cost method accounting, determine the investment income when the invested unit declares issuing cash dividends; if adopting equity method, determine the investment income in accordance with the shared invested unit's realized net profits or incurred net losses at every accounting period end. Adjust the book value of long-term equity investment.

  As for the stock investment or other equity investment, if parent company holds the capital sum of the invested unit with voting right less than 20%, or though holding the capital sum of the invested unit with voting right more than 20% and without significant impact, account as per the cost method.

  If parent company holds the capital sum of the invested unit with voting right more than 20%, or less than 20% but with significant impact, count as per the equity method.

  If parent company holds the capital sum of the invested unit with voting right more than 50%, or less than 50% but with actually-controlled subcompanies, count as per the equity method and combined financial statements.

9.2 Long-term equity investment

- Confirming method of cost

  Take the balance after deducting the paid taxes, commission charge and other additional expenses, and paid counted interests from issuance to purchase in line with the actually paid amount as the actual cost. Take the balance of actual cost and securities book value as the premium or discounted amount. The premium or discounted amount of securities shall be amortized when confirming the income of the related securities interest during the securities continual period. The method of amortization is straight line method.

- Confirming method of income

  Equity investment shall be collected interests counting as per period. The counted equity investment interest income after adjusting the premium of equity investment and amortization of discounted price shall be confirmed as the current period investment income. Other receivable interests of other equity investment counted as period shall be confirmed as the investment income of the current period.

(1) Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment

Count and draw the depreciation preparation for the long-term investment with market value in case of the following conditions.

- Market price has been lower than the account value for consecutive two years;
- The investment has been suspended for transaction over 1 year.
- The invested unit is under heavy loss in that year;
- The invested unit has been under heavy loss for consecutive two years;
- The invested unit has been liquidated, rectified and cleared. Or unsustainable running conditions occur.

Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment

- Political and legal environmental change affecting the management of invested unit
- The market requirement changes due to the outmoded products or changed consumer's preference of the provided goods or service of the invested unit so that the financial status of the invested unit aggravates heavily.
- The producing technology of the invested unit's industry changes so greatly that the invested unit loses its competitiveness and its financial status aggravates heavily.
- Evidence indicates that there are other cases in which this item of investment cannot bring forth economic interest for the enterprise virtually.

If the above-mentioned conditions cause the recoverable amount of long-term investment is lower than the book value and the lowered value cannot be restored within the foreseeable future period, count and draw the depreciation reserves of long-term investment in line with the balance of the recoverable amount lower than the book value of long-term investment. First, offset the capital reserve item of the investment. The balance which cannot be offsetted shall be confirmed as the current profits and losses. What the value with long-term investment with confirmed loss can be recovered shall be transferred back within the amount of originally confirmed investment loss.

10. Evaluation of entrusted loan, interests confirming methods and confirming standards and accrual methods of depreciation reserves of entrusted loans

10.1 Evaluation of entrusted loan

The entrusted loan of this company shall be recorded into the account as per the amount of the actual entrusted loan initially and count and draw interests in each period, counting into profits and losses. That is to say, at each counting period end, count and draw the receivable interests as per the regulated interest rate to increase the book value of entrusted loan correspondingly.

10.2 Confirming method of interest

If the accrual interest cannot be taken back on schedule, stop accrual interest and offset the accrued interest.

10.3 Confirming methods and counting and drawing methods of entrusted loan deprecation reserves

Thoroughly check the entrusted loan principal at the period end. If evidence shows that the entrusted loan principals is higher than the recoverable amount, then count and draw the corresponding deprecation reserves and offset the investment income by accrued deprecation reserves.

11. Fixed Assets

11.1 Recognition of fixed assets

Fixed assets are defined as the tangible assets which are held for the purpose of producing goods, rendering services, leasing for operation & management. The useful life of fixed assets is more than one year. In the meanwhile meet the following conditions to confirm the fixed assets:

1) And the fixed assets related to the economic benefits are likely to flow into the enterprise.
2) The cost of the fixed asset can be measured reliably.

11.2 Classification of fixed assets

The company fixed assets is divided into buildings and structures, machinery and equipment, transportation tools, land, office equipment, and other equipment.

11.3 Measurement of fixed assets

Fixed assets are recorded at actual cost. Cost of purchased fixed asset includes purchase price, customs and duty on importing and all related cost on making fixed asset available for use.

11.4 Method of depreciation

The depreciation of fixed assets is calculated by straight-line method based on useful lives of assets. Useful lives are:

Categories	Useful lives (year)
Electronic equipment	5

12. Intangible Assets

12.1 Definition and recognition of intangible assets

The intangible assets of the Company including purchased software etc. Intangible asset is recorded at its original actual cost at acquisition. The cost of purchased intangible assets includes the actual purchase price and other necessary expenditures for purchase. The cost of intangible assets invested by investors is measured at the contract or agreement, except for those with unfair value in the contract or agreement.

12.2 Amortisation of intangible asset

Intangible assets are amortized on the basis of shorter of estimated useful life, stipulated beneficial year by contract, and legal available year. The amortization amount is accounted into the cost of related assets or current profit and loss according to the beneficial items.

The Company makes the assessment on the estimated useful life and amortization method of intangible assets with limited useful life at the end of each year and makes adjustment if needed. The Company assesses the estimated useful life of intangible assets with uncertain useful life during each accounting period. If there are evidences to prove the useful life of intangible assets is limited, the Company will estimate their useful life and amortize the intangible assets within the estimated lifetime.

13. Long-term deferred expenses

Long-term deferred expenses are general expenses which are paid by the amortization period is over 1 year (excluding 1 year).

Except purchasing and building fixed assets, the cost occurring in the preparing period, shall be transferred into the profits and losses of the current month of starting production and operation since that month. If some long-term deferred expense item of book value can't gain profits in the future accounting period, the rest value of unamortized value shall be transferred into the current profits and losses.

14. Borrowing costs

14.1 Confirming principles of borrowing costs

Where the borrowing costs meet the following conditions, capitalization can start.

(1) Assets payment has occurred
(2) Borrowing costs have been produced
(3) Necessary purchasing and constructing activities have started to make assets be the

expected usable and sellable state.

14.2 Capitalization period of borrowing cots

Capitalization period refers to the period from the time point of starting capitalization of borrowing costs to the time point of stopping capitalization, excluding the period suspending the capitalization of borrowing costs. Other borrowing interest, the amortization and exchange balance of value discounting and premium shall be counted into the current profits and losses.

14.3 The counting method of the capitalization amount of borrowing costs.

The interest capitalization amount during every accounting period shall be determined by the accumulated payment weighted average and capitalization rate of structuring fixed assets at the current period end, but the amortized capitalization amount of interest, value discounting and premium shall not exceed the interest actually occurring at the current special borrowings and the amortized amount of value discounting and premium.

15. Estimated liabilities

15.1 Confirming principles of estimated liabilities

If the obligations related to contingency meet the following conditions at the same time, this company will confirm it as liabilities.

(1) The obligation is the current obligation shouldered by the enterprise;

(2) The obligation fulfillment may cause economic interest outflowing the enterprise.

(3) The amount of the obligations can be reliably counted.

15.2 Counting method of estimated liabilities

Confirming the estimated liabilities amount is the best estimate of payment requiring paying off to liabilities. If the required payment has a scope of amount, then the best estimate shall be confirmed by the average number of the upper and floor amount. If the required payment has a scope of amount, then the best estimate can be determined by the following methods.

(1) When contingency involves a single item, the best estimate shall be determined by the amount the most likely to occur;

(2) When contingency involves several single items, the best estimate shall be determined by the amount incurred possibly and the probability of occurrence.

The required payment of confirmed liabilities shall be completely or partially offsetted by the third party or other parties. When the offset amount is basically confirmed to be received, it can be confirmed separately as assets. The confirmed offset amount shall not exceed the book value of confirmed liabilities.

16. Income

The company confirms the realization of the business revenue as per the following regulations, keeps accounts as per the realized income and records into the current profits and losses.

16.1 Confirming principles and methods of goods sales income

This company has transferred the major risks and remuneration of the property in the goods to the goods purchasing party. The company shall not continue to adopt management right and actual control right to the goods again. The related revenue has received or got the evidence of collection. When it can be reliably counted with the cost related to sell the goods, confirm the realization of the business revenue.

16.2 Confirming principles and methods of providing service revenue

Providing services is to confirm the related service revenue as per the Percentage-of-completion Method. When confirming the service revenue, take the premises of reliably confirming the total income of services contract and completion degree of services, smooth inflow of the price and amount related to transactions and reliably counting the occurred cost and required cost to complete the services.

16.3 Provide the receivable using fees income for others to use the intangible assets of this enterprise. Confirm the realization of business revenue according to the charging time and methods regulated by the related contracts and agreements.

17. Accounting Disposal Method of Income Tax

Accounting disposal method of the company's income tax adopts taxes payable method. Confirm the method of current income taxes and fees according to the payable income tax counted at the current period.

The income tax of this company shall be prepaid by season and paid off at the end of year.

V. Accounting policies, changes in accounting estimates, a major early correction of errors and other matters adjustment is described

VI. Taxation

1. The company mainly taxes and tax rates

Principal Taxation	The statutory tax rate	Preferential tax policy
Business Tax	5%	-
Urban construction and maintenance tax	7%	-
Corporate Income Tax	25%	-
education fee	3%	-

VII. Main Notes to the Financial Statements

1. Monetary funds

Item	Ending balance	Beginning balance
Cash on hand	327.10	-
In which: RMB	327.10	-
Cash in bank	799,300.06	12,614.73
In which: RMB	794,553.21	7,627.92
Dollar	4,746.85	4,986.81
Other monetary funds	-	-
Total	799,627.16	12,614.73

2. Accounts receivable

Item	Ending balance		Beginning balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
In 1 years ((Included 1 years)	366,052.45	-	-	-
1-2 years (Included (2 years)	-	-	-	-
2-3 years ((Included 3 years)	-	-	-	-
More than 3 years	-	-	-	-
Total	366,052.45	-	-	-

3. Prepayments

Item	Ending balance	Beginning balance
In 1 years ((Included 1 years)	54,612.99	-
1-2 years (Included (2 years)	-	-
2-3 years ((Included 3 years)	-	-
More than 3 years	-	-
Total	54,612.99	-

4. Other Receivable

Item	Ending balance		Beginning balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
In 1 years (1 years)	3,405.76	-	333,444.40	-
1-2 years (2 years)	-	-	-	-
2-3 years (3 years)	-	-	-	-
More than 3 years	-	-	-	-
Total	3,405.76	-	333,444.40	-

5. Deferred expenses

Item	Ending balance	Beginning balance
Rent	-	13,300.00
Telephone	-	250.00
Service charge	-	9,300.88
Total	-	22,850.88

6. Fixed Assets

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
1. Original Cost	17,939.20	9,430.00	-	27,369.20
Electronic equipment	17,939.20	9,430.00	-	27,369.20
2. Accumulated amortisation	8,044.31	5,848.48	-	13,892.79
Electronic equipment	8,044.31	5,848.48	-	13,892.79
3. Impairment provision	-	-	-	-
Electronic equipment	-	-	-	-
4. Net book value	9,894.89	-	-	13,476.41
Electronic equipment	9,894.89	-	-	13,476.41

7. Wages and salaries unpaid

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
1. Wages, bonuses, allowances and subsidies	212,317.17	779,034.55	948,656.72	42,695.00
2. Employee benefit expenses	-	-	-	-
Total	212,317.17	779,034.55	948,656.72	42,695.00

Note: The beginning balance adds to 4,362.17 yuan of social insurance premiums.

8. Tax unpaid

Item	Beginning balance	This year should pay	This year has been submitted	Ending balance
Business Tax		172,924.52	163,894.52	9,030.00
Personal income tax	94,017.86	174,598.84	256,311.70	12,305.00
Urban construction and maintenance tax	-	632.10	-	632.10
Education surcharge	-	270.90	-	270.90
Total	94,017.86	348,426.36	420,206.22	22,238.00

9. Other outstanding payments

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
In 1 years (1 years)	3,177,704.32	100.00	1,011,719.38	35.69
1-2 years (2 years)	-	-	1,822,713.15	64.31
2-3 years (3 years)	-	-	-	-
More than 3 years	-	-	-	-
Total	3,177,704.32	100.00	2,834,432.53	100.00

Note: The beginning balance lesses to 4,362.17 yuan of social insurance premiums.

10. Paid- in capital

Investor Name	Beginning balance		Current period Increases	Current period Decreases	Ending balance	
	Amount of investment	Proportion (%)			Amount of investment	Proportion (%)
Total	3,314,450.50	100.00	-	-	3,314,450.50	100.00
Tech Mahindra Limited, India	3,314,450.50	100.00	-	-	3,314,450.50	100.00

11. Undistributed profit

Item	Amount of this year	Amount of last year
Opening balance	(6,076,413.16)	(3,934,247.95)
Current period Additions	756,500.11	(2,142,165.21)
Including: Transfer of net profits of this year	756,500.11	(2,142,165.21)
Other adjusting factors	-	-
Current period Disposals	-	-
Including: accrued surplus reserves of this year	-	-
Accrued general risks reserve of this year	-	-
Distributed cash dividend of this year	-	-
Transfer increased capita	-	-
Other decreased items	-	-
Closing balance	(5,319,913.05)	(6,076,413.16)

12. operating revenues and operating cost

Items	Current year cumulative		Last year cumulative	
	Operating Revenues	Operating Cost	Operating Revenues	Operating Cost
1. Subtotal of main businesses	3,160,500.36	-	88,036.89	-
Income of main businesses	3,160,500.36	-	88,036.89	-
2. Subtotal of other businesses	-	-	-	-
Income of other businesses	-	-	-	-
Total	3,160,500.36	-	88,036.89	-

13. Non-operating income

Item	Current year cumulative	Last year cumulative
Other profit	-	2,804.40
Total	-	2,804.40

14. Non-operating expense

Item	Current year cumulative	Last year cumulative
Fines spending	-	411.75
Other profit	24,668.77	-
Total	24,668.77	411.75

-

Viii. Financial statements for approval

The annual financial statements have been approved by the board of directors of the company.

iX. Other contents to be disclosed as per the related financial accounting and system

Other contents requiring no disclosure this year.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

April 24, 2012

Report of the Auditors in Foreign Exchange Revenue and Spending Statement

Shengjiawaishenzi[2012]No.018

To TECH MAHINDRA (BEIJING) IT SERVICES LTD.

We have audited the accompanying Foreign Exchange Revenue and Spending Statement of the Company as of December 31, 2011. 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, April 24, 2012

Foreign Exchange Revenue and Spending Statement

Prepared by Tech Mahindra (Beijing) IT Services Ltd December 31, 2011
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	752.98	753.36	11. Forex accounts payable		
1.1 Cash			among which :		
1.2 Capital account deposit	752.98	753.36	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	479,237.02	872,031.84	Domestic interest unpaid		
10. Other assets			18. Paid-up overseas capital	479,990.00	479,990.00
			18.1 Foreign direct investment		
			18.2 Foreign stock investment		
			19. Paid-up domestic Forex capital		
			20. Ordinary items balance		392,795.20
Total Assets	**479,990.00**	**872,785.20**	**Total Liabilities and ordinary items balance**	**479,990.00**	**872,785.20**

Note: 1. External guaranties increase 0.00US$, decrease 0.00US$, the account at the end of 2011 is US$0.00
2. According to stock right or promise proportion, the distribute net profit unpaid to foreign-side at the end of 2010 is US$ -842,798.68
3. The account of ”Other assets” is 0.00% of “Total assets”.

Date: December 31, 2011
Tabulation: Sunjing Financial director: Mr. Monoj Joshi Legal Representative Mr. Jagdish Mitra

VENTURBAY CONSULTANTS PRIVATE LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. Ulhas N. Yargop

Mr. Sonjoy Anand

Mr. Milind Kulkarni

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 Eighth Annual Report together with the audited Accounts of your Company for the year ended March 31, 2012.

FINANCIAL RESULTS

(₹ in Thousands)

For the year ended March 31	2012	2011
Total Income	**NIL**	NIL
Loss for the year before Tax	**679**	846
Provision for Tax	**NIL**	NIL
Loss for the year	**679**	846
Loss brought forward from the previous years	**710,612**	709,766
Loss carried to Balance Sheet	**711,291**	710,612

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, offer themselves for reappointment.

Mr. Ravindra Kulkarni and Mr. Atanu Sarkar resigned as directors of the Company with effect from 3rd February, 2012. The Board places on record its sincere appreciation for their contribution.

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 (Mahindra Satyam)

The Company as on March 31, 2012 holds 501,843,740 equity shares of ₹ 2 each aggregating to 42.65% of the total paid up capital of the Mahindra Satyam.

UPDATE ON AMALGAMATION OF THE COMPANY WITH TECH MAHINDRA LIMITED

Subsequent to the resolution passed by the Board of Directors on 21st March 2012 giving approval to the Scheme of Amalgamation and Arrangement for the merger of Venturbay Consultatns Private Limited (the "Company") with Tech Mahindra Limited, and for the restructuring of affairs relating thereto, the Company had filed Summons for directions along with the Affidavit to dispense with the meetings under Section 391 of the Companies Act, 1956 with the Hon'ble High Court of judicature at Bombay on 18th April 2012. The Hon'ble High Court of Bombay has accepted the summons and issued its Order dated 3rd May 2012 directing following –

1. Dispensed with the holding of meeting of the equity shareholders of the Company, in view of the consents given by all the equity shareholders. Tech Mahindra Limited to hold meeting on 7th June 2012 for obtaining approval of its equity shareholders.
2. Since there are no Secured Creditors, convening and holding meeting of Secured Creditors is not required.

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 ₹ 60,00,000 during the year ended 31st March, 2012 or not less than ₹ 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 2012 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 18, 2012

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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;
      ii) in the case of the Statement of Profit and Loss, 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, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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
Dated: May 18, 2012

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) The major portions of 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 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 Companies Act, 1956. 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 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, 2012 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 outstanding 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 and 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) 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 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 (Auditor's 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
Dated: May 18, 2012

Balance Sheet as at March 31, 2012

₹ in Thousands

			Note		March 31, 2012	March 31, 2011
I.	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a)	Share capital	2	**304,723**		304,723
	(b)	Reserves and surplus	3	**29,414,947**		29,415,626
					29,719,670	29,720,349
2	**Current liabilities**					
	(a)	Trade payables	4		**562**	550
					29,720,232	29,720,899
II.	**ASSETS**					
	Non-current assets					
1	(a)	Fixed assets	5			
	(i)	Tangible assets			**1,252**	1,252
	(b)	Non-current investments	6	**29,695,331**		29,695,331
	(c)	Long-term loans and advances	7	**22,228**		22,229
					29,717,559	29,717,560
					29,718,811	29,718,812
2	**Current assets**					
	(a)	Cash and cash equivalents	8		**1,421**	2,087
					29,720,232	29,720,899
See accompanying notes to the financial statements			1 To 21			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Hemant M Joshi
Partner
Place : Pune
Date : May 18, 2012

For Venturbay Consultants Private Limited

Sonjoy Anand
Director

Milind Kulkarni
Director

Place : Pune
Date : May 18, 2012

Statement of Profit and Loss for the year ended March 31, 2012

₹ in Thousands

		Note	**March 31, 2012**	March 31, 2011
I	**Income:**			
	Other income		**-**	-
	Total Income		**-**	-
II	**Expenses:**			
	Operating and other expenses	9	**679**	846
	Total expenses		**679**	846
III	**Loss before tax (I-II)**		**(679)**	(846)
IV	Tax expense:			
	(1) Current tax		**-**	-
	(2) Deferred tax		**-**	-
V	**Deficit in statement of Profit and Loss (III-IV)**		**(679)**	(846)
	Loss per share in ₹ (Refer Note 14)			
	(1) Basic		**0.02**	0.03
	(2) Diluted		**0.02**	0.03

See accompanying notes to the financial statements 1 To 21

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Hemant M Joshi
Partner
Place : Pune
Date : May 18, 2012

For Venturbay Consultants Private Limited

Sonjoy Anand
Director

Milind Kulkarni
Director

Place : Pune
Date : May 18, 2012

Cash Flow Statement for the year ended March 31, 2012

₹ in Thousands

		Note	**March 31, 2012**	March 31, 2011
A	**Cash flow from operating activities**			
	Net Loss before taxation		**(679)**	(846)
	Operating (loss)/profit before working capital changes			
	Adjustments for :			
	Long-term loans and advances	1	**-**	(2)
	Trade and other payables	12	**13**	(288)
	Cash used in operations		**(666)**	(1,136)
	Net cash used in operating activities		**(666)**	(1,136)
B	**Cash flow from investing activities**		**-**	-
C	**Cash flow from financing activities**			
	Proceeds from Issue of equity shares (net of share issue expenses)		**-**	(5,972)
	Net cash from / (used in) financing activities		**-**	(5,972)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(666)**	(7,108)
	Cash and cash equivalents at the beginning of the year		**2,087**	9,195
	Cash and cash equivalents at the end of the year		**1,421**	2,087

Note :

Components of cash and cash equivalents includes Cash, Bank balances in current accounts as disclosed under

	March 31, 2012	March 31, 2011
Cash and cash equivalents :		
Cash and Bank balances	**1,421**	2,087
Less Fixed deposits with original maturity over three months	**-**	-
Total Cash and cash equivalents	**1,421**	2,087

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Hemant M Joshi
Partner
Place : Pune
Date : May 18, 2012

For Venturbay Consultants Private Limited

Sonjoy Anand
Director

Milind Kulkarni
Director

Place : Pune
Date : May 18, 2012

Notes forming part of the Balance Sheet and Statement of Profit and Loss

Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2012 1.

1) Significant Accounting Policies:

(a) Basis for preparation of accounts:

The accompanying financial statements have been prepared to comply in all material aspects with generally 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 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	28 years
Computers	3 years
Plant and machinery	5 years
Furniture and fixtures	5 years
Vehicles	3-5 years
Office Equipments	5 years

ii) Leasehold land is amortised over the period of lease.

iii) Assets costing upto ₹ 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 Statement of Profit and Loss

(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.

Note 2 : Share Capital

	As at March 31, 2012		As at March 31, 2011	
	Number	**₹ in Thousands**	Number	₹ in Thousands
Authorised :				
Equity Shares of ₹ 10/- each	**35,000,000**	**350,000**	35,000,000	350,000
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 10/- each Fully Paid-up.	**30,472,300**	**304,723**	30,472,300	304,723
	30,472,300	**304,723**	30,472,300	304,723

Disclosure pursuant Part I of Schedule VI to the Companies Act, 1956
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	**March 31, 2012 Equity Shares**		March 31, 2011 Equity Shares	
	Number	**₹**	Number	₹
Shares outstanding at the beginning of the year	**30,472,300**	**304,723,000**	30,472,300	304,723,000
Shares Issued during the year	**-**	**-**	-	-
Shares bought back during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**30,472,300**	**304,723,000**	30,472,300	304,723,000

No of shares held by each shareholder holding more than 5 percent equity shares of the company are as follows:

Name of Shareholder	March 31, 2012		March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tech Mahindra Limited	**30,472,300**	**100**	30,472,300	100

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

Note 3: Reserves and Surplus

₹ in Thousands

	As at March 31, 2012	As at March 31, 2011
a. Securities Premium Reserve		
Opening Balance	**30,126,238**	30,132,210
Add : Received during the year	**-**	-
Less : Share Issue expenses	**-**	5,972
Closing Balance	**30,126,238**	30,126,238
b. Statement of Profit and Loss		
Opening balance	**(710,612)**	(709,766)
(+) Deficit in statement of profit and loss	**(679)**	(846)
Closing Balance	**(711,291)**	(710,612)
	29,414,947	29,415,626

Note 4: Trade Payables

₹ in Thousands

	As at March 31, 2012	As at March 31, 2011
Trade Payables (refer note 15)	**562**	550
	562	550

NOTE 5: FIXED ASSETS

₹ in Thousands

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description of the Assets	Cost as at April 01, 2011	Additions during the year	Deductions during the year	**Cost as at March 31, 2012**	As at April 01, 2011	Additions during the year	Deductions during the year	**upto March 31, 2012**	**As at March 31, 2012**	As at March 31, 2011
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	-	-	-	-		
								Total	**1,252**	1,252

Note 6 : Non Current Investments

₹ in Thousands

	As at March 31, 2012	As at March 31, 2011
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 Percentage of Holding : 42.65% (refer note 16)	**29,695,331**	29,695,331
	29,695,331	29,695,331

	As at March 31, 2012	As at March 31, 2011
Aggregate amount of quoted investments	**29,695,331**	29,695,331
Market value of quoted investments	**40,448,605**	32,971,134
Aggregate amount of unquoted investments	**-**	-
Aggregate amount of provision for diminution in value of investments	**-**	-

Note 7: Long-term loans and advances

₹ in Thousands

	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless otherwise stated		
a. Advance Income Taxes	**22,228**	22,227
b. Deposit	**-**	2
	22,228	22,229

Note 8: Cash and Cash equivalents

₹ in Thousands

	As at March 31, 2012	As at March 31, 2011
Balances with Banks	**1,421**	2,087
	1,421	2,087

Note 9: Operating and Other expenses

₹ in Thousands

	Year Ended March 31, 2012	Year Ended March 31, 2011
Audit Fees (refer note 12)	**624**	781
Professional and legal fees	**55**	65
	679	846

Notes on Accounts:

10. The Company did not have any employee on payroll during the year ended March 31, 2012 and therefore the disclosure required under Accounting Standard 15 on 'Employees Benefits' (AS-15) is not applicable for the year ended March 31, 2012.

11. For the year ended March 31, 2012 Company had no operating income, hence the disclosure of information as required under Accounting Standard 17 on 'Segmental reporting (AS - 17)' is not required.

12. Payment to Auditors*:

₹ in Thousands

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit Fees	**500**	500
Total	**500**	500

* Excluding Service Tax

13. As required under Accounting Standard 18 "Related Party Disclosures" (AS – 18), following are details of transactions for the year ended March 31, 2012 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,	Fellow Subsidiary Company
Tech Mahindra GmbH	Fellow Subsidiary Company
Tech Mahindra (Singapore) Pte Ltd.	Fellow Subsidiary Company
Tech Mahindra (Thailand) Ltd.	Fellow Subsidiary Company
PT Tech Mahindra Indonesia	Fellow Subsidiary Company
CanvasM Technologies Ltd.	Fellow Subsidiary Company
CanvasM (Americas) Inc.	Fellow Subsidiary Company
Tech Mahindra (Malaysia) SDN. BHD.	Fellow Subsidiary Company
Tech Mahindra (Beijing) IT Services Ltd.	Fellow Subsidiary Company
Tech Mahindra Foundation	Fellow Subsidiary Company
Tech Mahindra (Bahrain) Ltd. S.P.C.	Fellow Subsidiary Company
Tech Mahindra (Nigeria) Ltd.	Fellow Subsidiary Company
Tech Mahindra Brazil Servicecos De Informatica Ltda.	Fellow Subsidiary Company
Mahindra Logisoft Business Solutions Limited	Fellow Subsidiary Company
Tech Talenta Inc.	Fellow Subsidiary Company
Satyam Computer Services Limited.	Associate company

b) Related party transactions for the year ended March 31, 2012.

₹ in Thousands

Transactions	Holding Company	Associate Company
Reimbursement	66 [-]	- [-]
Debit / (Credit) balances (Net) outstanding as on March 31, 2012	- [-]	- [2]

Figures in brackets "[ ]"are for the previous year ended March 31, 2011

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

₹ in Thousands

Transactions	For the year ended March 31, 2012
Reimbursement	
Holding Company	
Tech Mahindra Limited	66 [-]

14. Earnings per share is calculated as follows:

₹ in Thousands except earnings per share

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Deficit in statement of Profit and Loss	**679**	846
Equity Shares outstanding as at the end of the 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**	30,472,300
Weighted average number of Equity Shares used as denominator for calculating Basic Earning Per Share	**30,472,300**	30,472,300
Add: Diluted number of Shares	**-**	-
Weighted average Number of Equity Shares used as denominator for calculating Diluted Earning Per Share	**30,472,300**	30,472,300
Nominal Value per Equity Share (₹)	**10**	10
Loss Per Share		
Loss Per Share (Basic) (₹)	**0.02**	0.03
Loss Per Share (Diluted) (₹)	**0.02**	0.03

15. 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".

16. 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 ₹ 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 42.64%, as on March 31, 2012.

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

17. The company has incurred expenditure of ₹ 588,394 Thousands on acquisition of shares in Satyam and the same has been added to the cost of investment.

18. 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.

19. 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.

20. The Board of Directors of the Company in their meeting held on March 21, 2012 have approved the "Scheme of Amalgamation and Arrangement" under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956 of Venturbay Consultants Private Limited and Satyam Computer Services Limited and C&S System Technologies Private Limited and Mahindra Logisoft Business Solutions Limited and CanvasM Technologies Limited with the Tech Mahindra Limited ("the Scheme"). The Appointed date of the Scheme is April 1, 2011.

    The Board of Directors of Tech Mahindra Limited has recommended issue 2 fully paid up Equity Shares of Rs 10 each of the Company for every 17 fully paid Equity Shares of Rs 2 each of Satyam. As the other amalgamating companies are wholly owned by the Company / Satyam, no shares would be issued to shareholders of these companies.

    The Bombay Stock Exchange and the National Stock Exchange have conveyed to the Company, their no-objection under Clause 24(f) of the Listing Agreement to the said Scheme. TML has also received approval of Competition Commission of India for the said Scheme. Further, TML has obtained directions from the Hon'ble High Court of Judicature at Bombay ("Court") for convening the shareholders meeting on 7th June 2012 to approve the Scheme.

    The proposed Scheme is subject to the approvals of the shareholders, Hon'ble Bombay High Court, Hon'ble High Court of Andhra Pradesh and other authorities.

21. Previous year figures have been regrouped and reclassified wherever necessary.

For Venturbay Consultants Private Limited

Sonjoy Anand Director	Milind Kulkarni Director

Place : Pune

Date : May 18, 2012

MAHINDRA LOGISOFT BUSINESS SOLUTIONS LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. Ulhas N. Yargop

Mr. Atanu Sarkar

Mr. Anil Khatri

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 Thirteenth Report together with the audited accounts of your Company for the year ended March 31, 2012

Financial Results

(₹ in Millions)

Particulars	**2012**	2011
Income	**64.67**	42.08
Profit before Depreciation	**19.68**	11.46
Depreciation	**(0.20)**	(0.18)
Profit before tax	**19.48**	11.27
Provision for tax	**0.68**	0.00
Profit after tax	**18.81**	11.27
Balance/(Loss) brought forward from the previous years	**(23.66)**	(34.93)
(Loss) carried forward	**(4.86)**	(23.66)

Operations

Your Company's gross revenue for the year was ₹ 64.67 Million, an increase of 54% over the previous year. The Profit After Tax is ₹ 18.81 Million, an increase of 67% 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.

Update on amalgamation of the Company with Tech Mahindra Limited

Subsequent to the resolution passed by the Board of Directors on 21st March 2012 giving approval to the Scheme of Amalgamation and Arrangement for the merger of Mahindra Logisoft Business Solutions Limited (the "Company") with Tech Mahindra Limited, and for the restructuring of affairs relating thereto, the Company had filed Summons for directions along with the Affidavit to dispense with the meetings under Section 391 of the Companies Act, 1956 with the Hon'ble High Court of judicature at Bombay on 18th April 2012. The Hon'ble High Court of Bombay has accepted the summons and issued its Order dated 3rd May 2012 directing following –

1. Dispensed with the holding of meeting of the equity shareholders of the Company, in view of the consents given by all the equity shareholders. Tech Mahindra Limited to hold meeting on 7th June 2012 for obtaining approval of its equity shareholders.
2. Since there are no Secured Creditors, convening and holding meeting of Secured Creditors is not required.

Directors

Mr. Vineet Nayyar retires by rotation, and being eligible, offers himself for re-appointment.

Mr. C.P.Gurnani, Mr. Sonjoy Anand and Mr. Milind Kulkarni resigned as directors of the Company with effect from 3rd February, 2012. The Board places on record its sincere appreciation for their contribution.

Mr. Anil Khatri has been appointed as an additional director on 3rd February 2012 and holds office upto the date of the ensuing Annual General Meeting. Notice as required under section 257 of the Companies Act, 1956, along with the requisite amount of deposit, has been received for nominating Mr. Anil Khatri for the office of Director of the Company at the forthcoming Annual General Meeting.

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 March 31, 2012 and of the profit of the Company for the year ended on that date;

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

(iv) as mentioned in the Notes on Accounts, the annual accounts have been prepared on a going concern basis.

Audit Committee

During the year, the Audit Committee was reconstituted due to the resignation of Mr. Milind Kulkarni and Mr. Sonjoy Anand. Mr. Anil Khatri and Mr. Atanu Sarkar were appointed as Audit Committee members in place of Mr. Milind Kulkarni and Mr. Sonjoy Anand. Mr. Ulhas N. Yargop is the other member of the Committee.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be required to appoint Auditors for the current year and fix their remuneration.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from Messrs Deloitte Haskins & Sells, Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Code of Conduct

The Company had adopted 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 ₹ 6,000,000 during the year ended March 31, 2012 or not less than ₹ 500,000 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

Vineet Nayyar	Atanu Sarkar
Director	Director

Place: Pune

Date: May 18, 2012

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 2012.

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in relatively reduced Energy consumption.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Areas in which Research & Development is carried out: None
2. Benefits derived as a result of the above efforts: Not Applicable
3. Future plan of action: None
4. Expenditure on R & D: Nil
5. Technology absorption, adaptation and innovation: None
6. Imported Technology for the last 5 years: None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings & outgo is furnished in the Notes on Accounts.

For and on behalf of the Board

Vineet Nayyar	Atanu Sarkar
Director	Director

Place: Pune

Date: May 18, 2012

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, 2012, the Statement of Profit and Loss 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 misstatement. 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;

      (b) in the case of the Statement of Profit and Loss, 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director 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 : May 18, 2012

ANNEXURE TO THE AUDITORS' REPORT

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

(i) Having regard to the nature of the Company's business/ activities/ result, transactions, etc., clauses (ii), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

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

(c) No fixed assets were disposed off during the year.

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

(vii) 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; 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, Service Tax, Cess and other material statutory dues applicable to the Company, in arrears as at March 31, 2012 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, 2012 on account of dispute.

(viii) 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.

(ix) 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.

(x) 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 : May 18, 2012

Balance Sheet as at March 31, 2012

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		Note No.	As at March 31, 2012	As at March 31, 2011
I.	**EQUITY AND LIABILITIES :**			
	1. SHAREHOLDERS' FUNDS :			
	(a) Share Capital	2	**124,500,000**	124,500,000
	(b) Reserves and surplus	3	**(4,855,341)**	(23,660,910)
	Total		**119,644,659**	100,839,090
	2. NON-CURRENT LIABILITIES :			
	Long-term provisions	4	**2,350,354**	2,154,742
	3. CURRENT LIABILITIES :			
	(a) Trade payables	21	**1,391,703**	461,370
	(b) Other current liabilities	5	**366,561**	541,086
	(c) Short-term provisions	6	**1,191,804**	749,646
			2,950,068	1,752,102
	Total		**124,945,081**	104,745,934
II.	**ASSETS**			
	1. NON-CURRENT ASSETS :			
	(a) Fixed assets			
	(i) Tangible assets	7A	**883,709**	419,182
	(ii) Intangible assets	7B	**-**	-
			883,709	419,182
	(b) Non-current investments	8	**3,000**	3,000
	(c) Long-term loans and advances	9	**19,557,992**	15,088,059
	(d) Other non-current assets	10	2,704	2,704
	Total		**20,447,405**	15,512,945
	1. CURRENT ASSETS :			
	(a) Trade receivables	11	**10,488,591**	4,827,128
	(b) Cash and cash equivalents	12	**91,576,611**	82,411,318
	(c) Short-term loans and advances	13	**319,002**	150,415
	(d) Other current assets	14	**2,113,472**	1,844,128
			104,497,676	89,232,989
	Total		**124,945,081**	104,745,934
	Significant accounting policies	1		
	See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner
Mumbai : May 18, 2012

For Mahindra Logisoft Business Solutions Limited

Anil Khatri
Director.

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Pune : May 18, 2012

Statement of Profit and Loss for the year ended March 31, 2012

		Note No.	Current Year March 31, 2012	Previous Year March 31, 2011
				₹
Revenue from operations		15	**57,450,446**	36,498,025
Other income		16	**7,218,280**	5,577,420
	TOTAL		**64,668,726**	42,075,445
EXPENSES				
Employee benefits expense		17	**35,970,803**	26,230,087
Depreciation			**198,941**	183,820
Other expenses		18	**9,016,365**	4,388,851
	TOTAL		**45,186,109**	30,802,758
PROFIT BEFORE TAX			**19,482,617**	11,272,687
Tax expense:				
- Current tax			**3,898,472**	2,247,000
- MAT credit			**(3,221,424)**	(2,247,000)
			677,048	-
PROFIT FOR THE YEAR			**18,805,569**	11,272,687
Basic and diluted earnings per equity share (nominal value of share ₹ 10)		25	**1.51**	0.91
Significant accounting policies		1		
See accompanying notes forming part of the financial statements				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner
Mumbai : May 18, 2012

For Mahindra Logisoft Business Solutions Limited

Anil Khatri
Director.

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Pune : May 18, 2012

Cash Flow Statement for the year ended March 31, 2012

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	Particulars		Current Year March 31, 2012		Previous Year March 31, 2011
A	**Cash Flow from operating activities**				
	Net Profit before tax		**19,482,617**		11,272,687
	Adjustments for:				
	Depreciation	**198,941**		183,820	
	Loss on sale of fixed assets	**-**		10,906	
	Advances written off	**-**		107,196	
	Interest income	**(7,096,541)**		(5,064,815)	
	Provision for doubtful trade receivables written back	**-**		(53,545)	
			(6,897,600)		(4,816,438)
	Operating profit before working capital changes		**12,585,017**		6,456,249
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Trade receivables	**(5,661,463)**		(2,365,610)	
	Short-term loans and advances	**(168,587)**		(108,818)	
	Long-term loans and advances	**(19,387)**		-	
			(5,849,437)		(2,474,428)
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**930,333**		(122,463)	
	Other current liabilities	**(174,525)**		175,156	
	Short-term provisions	**442,158**		197,967	
	Long-term provisions	**195,612**		87,581	
			1,393,578		338,241
			(4,455,859)		(2,136,187)
	Net income tax (paid) / refunds		**(5,127,594)**		1,433,492
	Net cash generated from operating activities		**3,001,564**		5,753,554
B	**Cash flow from investing activities**				
	Capital expenditure on fixed assets	**(663,468)**		(177,234)	
	Interest received	**6,827,197**		4,814,473	
	Deposits placed with banks other than considered in cash and cash equivalents	**(50,005,000)**		-	
	Proceeds from sale of fixed assets	**-**		17,778	
	Net cash generated from investing activities		**(43,841,271)**		4,655,017
C	**Cash flow from financing activities**		**-**		-
	Net increase in cash and cash equivalents - (A+B+C)		**(40,839,707)**		10,408,571
	Cash and cash equivalents at the beginning of the year, comprising:				
	Balances with banks:				
	In current accounts	**-**		194,992	
	In deposit accounts	**82,411,318**		71,807,755	
			82,411,318		72,002,747
	Cash and cash equivalents at the end of the year, comprising:				
	Balances with banks:				
	In current accounts	**-**		-	
	In deposit accounts	**41,571,611**		82,411,318	
	[net of book overdraft of ₹ 494,520 in the linked current account (as at March 31, 2011 ₹ 178,318)]		**41,571,611**		82,411,318
	Net increase as disclosed above		**(40,839,707)**		10,408,571
	See accompanying notes forming part of the financial statements				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner
Mumbai : May 18, 2012

For Mahindra Logisoft Business Solutions Limited

Anil Khatri
Director.

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Pune : May 18, 2012

Notes Forming part of the Financial Statements March 31, 2012

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 software licenses and 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 recognized 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

Notes Forming part of the Financial Statements March 31, 2012

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	As at March 31, 2012		As at March 31, 2011	
NOTE 2	**Number of shares**	**In ₹**	Number of shares	In ₹
SHARE CAPITAL:				
Authorised				
Equity shares of ₹10/- each	**14,100,000**	**141,000,000**	14,100,000	141,000,000
Issued, subscribed & paid-up				
Equity shares of ₹10/- each fully paid-up	**12,450,000**	**124,500,000**	12,450,000	124,500,000
	12,450,000	**124,500,000**	12,450,000	124,500,000

Note:
The entire equity shares are held by Tech Mahindra Limited, the holding company (including 6 equity shares held jointly).The Company has only one class of shares, namely, equity shares.

₹

	As at March 31, 2012	As at March 31, 2011
NOTE 3		
RESERVES AND SURPLUS:		
Deficit in the Statement of Profit and Loss		
Balance as per last balance sheet	**(23,660,910)**	(34,933,597)
Profit for the year	**18,805,569**	11,272,687
Closing balance	**(4,855,341)**	(23,660,910)

	As at March 31, 2012	As at March 31, 2011
NOTE 4		
LONG - TERM PROVISION		
Provision for employee benefits:		
(i) Provision for gratuity (refer Note 24)	**1,010,941**	895,804
(ii) Provision for compensated absences	**1,339,413**	1,258,938
Total	**2,350,354**	2,154,742

₹

	As at March 31, 2012	As at March 31, 2011
NOTE 5		
OTHER CURRENT LIABILITIES		
Advances from customers	**22,901**	4,964
Payables to statutory authorities	**343,660**	536,122
(This indudes statutory dues such as TDS Service Tax, VAT provident Fund, ESI and preprofessional)		
Total	**366,561**	541,086

	As at March 31, 2012	As at March 31, 2011
NOTE 6		
SHORT-TERM PROVISIONS		
Provision for employee benefits:		
(i) Provision for gratuity (refer Note 24)	**504,244**	227,887
(ii) Provision for compensated absences	**687,560**	521,759
Total	**1,191,804**	749,646

NOTE 7
FIXED ASSETS

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Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance as at April 01, 2011	**Additions**	**Deletions**	**Closing Balance as at March 31, 2012**	**Opening Balance as at April 01, 2011**	**For the period**	**On Deletions**	**Closing Balance as at March 31, 2012**	**As at March 31, 2012**	**As at March 31, 2011**
(A) Tangible assets										
Computers	2,162,563	663,468	-	2,826,031	2,000,077	179,375	-	2,179,452	646,579	162,486
Furniture and fixtures	1,150	-	-	1,150	1,150	-	-	1,150	-	-
Office equipment	437,929	-	-	437,929	181,233	19,566	-	200,799	237,130	256,696
Sub-total (A)	**2,601,642**	**663,468**	**-**	**3,265,110**	**2,182,460**	**198,941**	**-**	**2,381,401**	**883,709**	419,182
(B) Intangible assets										
Computer software	70,100	-	-	70,100	70,100	-	-	70,100	-	-
Sub-total (B)	70,100	-	-	70,100	70,100	-	-	70,100	-	-
Total (A) + (B)	**2,671,742**	**663,468**	**-**	**3,335,210**	**2,252,560**	**198,941**	**-**	**2,451,501**	**883,709**	419,182
Previous year	47,976,653	177,234	45,482,145	2,671,742	47,522,202	183,820	45,453,462	2,252,560		

Notes Forming part of the Financial Statements March 31, 2012

₹

	As at March 31, 2012	As at March 31, 2011
NOTE 8		
NON-CURRENT INVESTMENTS		
Non-trade (Unquoted - at cost):		
In Government securities	**3,000**	3,000
National Savings Certificate		
(deposited with Sales Tax authorities)		
Total	**3,000**	3,000
NOTE 9		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Security deposits	**3,000**	14,720
Taxes paid less provision	**12,238,917**	11,009,795
MAT credit entitlement	**7,281,424**	4,060,000
Balances with government authorities - VAT credit receivables	**34,651**	3,544
Total	**19,557,992**	15,088,059
NOTE 10		
OTHER NON-CURRENT ASSETS		
Interest accrued on investment	**2,704**	2,704
Total	**2,704**	2,704
NOTE 11		
TRADE RECEIVABLES		
(Unsecured, Considered good)		
Outstanding for a period exceeding six months from the date they were due for payment	**191,280**	159,288
Others	**10,297,311**	4,667,840
Total	**10,488,591**	4,827,128

₹

	As at March 31, 2012	As at March 31, 2011
N0TE 12		
CASH AND CASH EQUIVALENTS		
Balances with banks		
- In current accounts	**-**	-
- In deposit accounts	**91,576,611**	82,411,318
[net of book overdraft of ₹ 494,520 in the linked current account (as at March 31, 2011 ₹ 178,318)]		
Total	**91,576,611**	82,411,318
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	**41,571,611**	82,411,318
NOTE 13		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances for supply of services	**57,171**	-
Advances to employees	**89,223**	73,192
Prepaid expenses	**78,545**	62,066
Balances with government authorities - Service tax credit receivables	**94,063**	15,157
Total	**319,002**	150,415
NOTE 14		
OTHER CURRENT ASSETS		
Interest accrued on bank fixed deposits	**2,113,472**	1,844,128
Total	**2,113,472**	1,844,128

Notes Forming part of the Financial Statements March 31, 2012

₹

	For the year ended March 31, 2012	March 31, 2011
NOTE 15		
REVENUE FROM OPERATIONS		
Sale of software licenses	**6,833,100**	1,701,650
Sale of services (refer note 23)	**50,617,346**	34,796,375
Total	**57,450,446**	36,498,025
NOTE 16		
OTHERS INCOME		
Interest on deposits with banks	**7,096,541**	5,064,815
Interest on income-tax refund	**121,739**	459,060
Provision for doubtful trade receivables no longer required	**-**	53,545
Total	**7,218,280**	5,577,420
NOTE 17		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**33,426,099**	24,516,781
Contribution to provident and other funds	**1,775,397**	1,249,265
Staff welfare expenses	**769,307**	464,041
Total	**35,970,803**	26,230,087
NOTE 18		
OTHER EXPENSES		
Rent (refer note 23)	**742,240**	-
Insurance	**694,890**	519,952
Repairs - others	**97,036**	250,943
Communication expenses	**456,973**	181,776
Travelling and conveyance	**5,206,273**	942,948
Legal and professional charges (refer Note 22)	**1,119,435**	1,784,086
Software expenses	**424,664**	180,063
Advances written off	**-**	107,196
Loss on sale of fixed assets	**-**	10,906
Trade receivables written off	**-**	112,360
Less: Provision for doubtful trade receivables	**-**	(112,360)
	-	-
Miscellaneous expenses	**274,854**	410,981
Total	**9,016,365**	4,388,851

19. The net deferred tax assets as at March 31, 2012 has not been accounted in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax asset on carry forward of losses can be realised.

20. 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", notified under the Companies Act, 1956 are not applicable.

21. There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors.

22. Auditors' remuneration (excluding service tax):

₹

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Audit fees	**270,000**	270,000
Other services	**20,000**	20,000
Reimbursement of expenses	**1,179**	1,940

23. Related party transactions

    Details of related parties:

Description of relationship	Name of related party
Holding Company	Tech Mahindra Limited

Details of transactions with Tech Mahindra Limited, the holding company during the year ended March 31, 2012 and balances outstanding as at March 31, 2012:

		(₹)
Particulars	**For the year ended March 31, 2012**	For the year ended March 31, 2011
1. Income		
Sale of services	**3,519,732**	407,136
2. Expenses		
Rent	**742,240**	-
3. Balances outstanding at the end of the year		
- Trade receivables	**-**	60,464
- Trade payables	**736,821**	-

Notes Forming part of the Financial Statements March 31, 2012

24 Employee Benefits

A. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss under Company's Contribution to provident and other funds in Note 17 for the period is as under:

(₹)

Particulars	**For the year ended March 31, 2012**	For the year ended March 31, 2011
Employer's contribution to Provident Fund	**1,280,085**	953,512
Employer's contribution to ESIC	**456,386**	265,992

B. Defined Benefit Plan

	Particulars	**Gratuity (Unfunded) For the year ended March 31, 2012**	Gratuity (Unfunded) For the year ended March 31, 2011
I.	Reconciliation of opening and closing balances of Defined Benefit Obligation		
	Present value of Defined Benefit Obligation (Opening)	**1,123,691**	805,255
	Interest Cost	**102,445**	65,617
	Current Service Cost	**287,030**	227,296
	Net Actuarial (gain)/ losses	**223,339**	25,294
	Past Service Cost	**-**	229
	Benefits paid	**(221,320)**	-
	Present value of Defined Benefit Obligation (Closing)	**1,515,185**	**1,123,691**
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	**221,320**	-
	Benefits paid	**(221,320)**	-
	Fair value of Plan Assets (Closing)	**-**	-
III.	Net assets / (liabilities) recognised in the Balance Sheet		
	Present value of Defined Benefit Obligation	**(1,515,185)**	(1,123,691)
	Fair value of Plan Assets	**-**	-
	Net assets recognised in the Balance Sheet	**(1,515,185)**	(1,123,691)
	IV. Components of Employer's expenses		
	Current Service Cost	**287,030**	227,296
	Interest Cost	**102,445**	65,617
	Expected return on Plan Assets	**-**	-
	Net Actuarial (gains) / losses	**223,339**	25,294
	Past Service Cost	**-**	229
	Total expense recognised in the profit and loss account in note 17 under contribution to provident and other funds:	**612,814**	318,436

Notes Forming part of the Financial Statements March 31, 2012

24 Employee Benefits (continued)

v. Actuarial Assumptions

Particulars	**For the year ended March 31, 2012**	For the year ended March 31, 2011
(a) Mortality Table	**"LIC (1994-96) (Ultimate)"**	"LIC (1994-96) (Ultimate)"
(b) Discount rate	**8.45%**	7.90%
(C) Expected rate of return on Plan Assets	**NA**	NA
(d) Salary escalation	**10% for first 2 years and 8% thereafter**	10% for first 3 years and 8% thereafter

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

	Particulars	**Year ended March 31, 2012**	**Year ended March 31, 2011**	**Year ended March 31, 2010**	**Year ended March 31, 2009**	**Year ended March 31, 2008**
1.	Present Value of Defined Benefit Obligation	**1,515,185**	1,123,691	805,255	467,775	802,366
2.	Fair Value of Plan Assets	**NA**	NA	NA	NA	NA
3.	Funded Status [(Deficit) / Surplus]	**(1,515,185)**	(1,123,691)	(805,255)	(467,775)	(802,366)
4.	Net (Liability) / Assets	**(1,515,185)**	(1,123,691)	(805,255)	(467,775)	(802,366)
5.	Experience adjustment arising on:					
	a. Plan Liabilities [Loss / (Gain)]	**257,368**	77,404	174,724	(392,070)	131,065
	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 inflation, 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 benefit obligations.

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

25 Earnings per share

			(₹)
	Particulars	**For the year ended March 31, 2012**	For the year ended March 31, 2011
A	Profit for the year	**18,805,569**	11,272,687
B	Weighted average number of equity shares outstanding during the year (Nos.)	**12,450,000**	12,450,000
C	Earnings per share (nominal value of equity share ₹ 10 per share)	**1.51**	0.91

26 The Board of Directors of the Company has, at its meeting held on March 21, 2012, unanimously approved the draft Scheme of Amalgamation and Arrangement (‘Scheme’) of Mahindra Logisoft Business Solutions Limited with Tech Mahindra Limited, the Holding Company, under Sections 391 to 394 of the Companies Act, 1956 subject to the shareholders and other statutory approvals. The appointed date for the said Scheme is April 1, 2011. An application has been filed in the High Court of Bombay to obtain permission for convening/dispensing shareholders’/creditors meeting.

27 The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with the current year’s classification / disclosure.

For Mahindra Logisoft Business Solutions Limited

Anil Khatri	Atanu Sarkar	Sarang Deshpande
Director.	Director	Company Secretary

Pune : May 18, 2012

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

Board of Directors

Mr. Milind Kulkarni
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 Director of Tech Mahindra (Bahrain) Ltd. S.P.C. (the "Company") has great pleasure in presenting their annual report and the audited financial statements for the year ended March 31, 2012.

Principal activities

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.

Results

The total income of the Company for the year ended March 31, 2012 was BD 7,772,758 (₹ 1,062,380,563) as compared to previous year's income of BD 6,609,830 (₹ 903,431,564). The Company has reported a profit of BD 172,798 (₹ 23,618,031) for the year ended March 31, 2012 as compared to profit of BD 183,113 (₹ 25,027,884) for the year ended March 31, 2011.

Director and Management

The following served as Director and was in charge of the Management of the Company during the year ended March 31, 2012.

Mr. Milind Vasant Kulkarni - Director

Auditors

The financial statements have been audited by Grant Thornton-Abdulaal Gulf Audit who has expressed their willingness and considered themselves eligible for appointment.

The Director takes this opportunity to place on record their sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and results of the Company.

Milind Vasant Kulkarni
Director

Place: Pune
Date: April 19, 2012

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 March 31, 2012, and the related statements of comprehensive income, changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the financial statements

The Company's Director 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 March 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

We would like to draw your attention to Note 4 to the financial statements regarding the unbilled receivables and receivables subject to the approval of the client.

Report on 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 Director 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.

April 19, 2012
Manama, Kingdom of Bahrain

Statement of Financial Position

	Notes	March 31, 2012		March 31, 2011	
		BD	₹	BD	₹
Assets					
Non-current assets					
Plant and equipment	3	**1,394**	**190,532**	**3,381**	**462,115**
Current assets					
Accounts and other receivables	4	2,339,388	319,747,552	1,706,759	233,279,820
Cash and cash equivalents	5	493,312	67,425,884	828,416	113,227,899
		2,832,700	**387,173,436**	**2,535,175**	**346,507,719**
Total assets		**2,834,094**	**387,363,968**	**2,538,556**	**346,969,834**
Equity and Liabilities					
Equity					
Share capital	9	50,000	6,834,000	50,000	6,834,000
Statutory reserve	10	25,000	3,417,000	25,000	3,417,000
Retained earnings		**723,215**	**98,849,027**	**550,417**	**75,230,996**
		798,215	**109,100,027**	**625,417**	**85,481,996**
Liabilities					
Non-current liabilities					
Employees' terminal benefits	8	**58,888**	**8,048,812**	**32,296**	**4,414,217**
Current liabilities					
Accounts and other payables	6	688,546	94,110,466	398,696	54,493,769
Amount due to related party	7	1,288,445	176,104,663	1,482,147	202,579,852
		1,976,991	**270,215,129**	**1,880,843**	**257,073,621**
Total liabilities		**2,035,879**	**278,263,941**	**1,913,139**	**261,487,838**
Total equity and liabilities		**2,834,094**	**387,363,968**	**2,538,556**	**346,969,834**

These financial statements were approved by the Proprietor on April 19, 2012 and signed on its behalf by:

Mr. Milind Vasant Kulkarni
Director

The accounting policies and the notes herein form an integral part of these financial statements.

Statement of Comprehensive Income

	Notes	Year ended March 31, 2012		Year ended March 31, 2011	
		BD	**₹**	**BD**	**₹**
Income					
Revenue	11	**7,772,758**	**1,062,380,563**	**6,609,830**	**903,431,564**
Expenses					
Direct costs	12	(7,454,246)	(1,018,846,344)	(6,251,094)	(854,399,528)
General and administrative expenses	13	(143,727)	(19,644,605)	(173,207)	(23,673,933)
Depreciation	3	(1,987)	(271,583)	(2,416)	(330,219)
		(7,599,960)	**(1,038,762,532)**	**(6,426,717)**	**(878,403,680)**
Profit for the year transferred to retained earnings		**172,798**	**23,618,031**	**183,113**	**25,027,884**

These financial statements were approved by the Proprietor on April 19, 2012 and signed on its behalf by:

Mr. Milind Vasant Kulkarni
Director

The accounting policies and the notes herein form an integral part of these financial statements.

Statement of Changes in Equity

	Share capital		Statutory reserve		Retained earnings		Total	
	BD	₹	BD	₹	BD	₹	BD	₹
At April 1, 2010	50,000	6,834,000	25,000	3,417,000	367,304	50,203,112	442,304	60,454,112
Profit for the year	-	-	-	-	183,113	25,027,884	183,113	25,027,884
At March 31, 2011	**50,000**	**6,834,000**	**25,000**	**3,417,000**	**550,417**	**75,230,996**	**625,417**	**85,481,996**
At April 1, 2011	50,000	6,834,000	25,000	3,417,000	550,417	75,230,996	625,417	85,481,996
Profit for the year	-	-	-	-	172,798	23,618,031	172,798	23,618,031
At March 31, 2012	**50,000**	**6,834,000**	**25,000**	**3,417,000**	**723,215**	**98,849,027**	**798,215**	**109,100,027**

The accounting policies and the notes herein form an integral part of these financial statements.

Statement of Cash Flows

	Year ended March 31, 2012		Year ended March 31, 2011	
	BD	₹	BD	₹
Operating activities				
Profit for the year	172,798	23,618,031	183,113	25,027,884
Adjustments for:				
Depreciation	1,987	271,583	2,416	330,219
Provision for employees' terminal benefits	26,592	3,634,595	32,296	4,414,217
Operating profit before working capital changes	201,377	27,524,209	217,825	29,772,320
Changes in operating assets and liabilities:				
Change in accounts and other receivables	(632,629)	(86,467,732)	1,140,653	155,904,453
Change in accounts and other payables	289,850	39,616,697	(1,868,405)	(255,373,595)
Change in amount due to related party	(193,702)	(26,475,189)	(1,524,335)	(208,346,108)
Net cash used in operating activities	**(335,104)**	**(45,802,015)**	**(2,034,262)**	**(278,042,930)**
Net change in cash and cash equivalents	(335,104)	(45,802,015)	(2,034,262)	(278,042,930)
Cash and cash equivalents, beginning of the year	828,416	113,227,899	2,862,678	391,270,829
Cash and cash equivalents, end of the year	**493,312**	**67,425,884**	**828,416**	**113,227,899**
Comprises:				
Bank balances	493,312	67,425,884	828,416	113,227,899
	493,312	**67,425,884**	**828,416**	**113,227,899**

The accounting policies and the notes herein form an integral part of these financial statements.

Notes to the financial statements for the year ended March 31, 2012

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 November 3, 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 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 March 31, 2011 of ₹ 136.68 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 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, "Interests 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 July 1, 2010);
- IFRIC 14, "Prepayments of a Minimum Funding" (effective for annual periods beginning on or after January 1, 2011); and
- IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after July 1, 2010).

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.

- IAS 1, "Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)" (effective for annual periods beginning on or after July 1, 2012);
- IAS 12," Deferred Tax: Recovery of Underlying Assets (Amendments to IAS12)" (effective for annual periods beginning on or after January 1, 2012)
- IAS 19, "Employee Benefits(Revised 2011)" (effective for annual periods beginning on or after January 1, 2013);
- IAS 27 "Separate Financial Statements" –consequential amendments (effective for annual periods beginning on or after January 1, 2013);
- IAS 28 "Investments in Associates and Joint Ventures"- consequential amendments (effective for annual periods beginning on or after January 1, 2013);
- IFRS 1, "Severe Hyperinflation and Removal of Fixed Dates for First-time adopters (Amendments to IFRS 1) (effective for annual periods beginning on or after July 1, 2011);
- Revised IFRS 7, "Financial Instruments Disclosures - Transfers of Financial Assets" (effective for annual periods beginning on or after July 1, 2011);
- IFRS 9, "Financial Instruments" (effective for annual periods beginning on or after January 1, 2015);
- IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after January 1, 2013);
- IFRS 11,"Joint Arrangements" (effective for annual periods beginning on or after January 1, 2013);
- IFRS 12, "Disclosure of Interest in Other Entities" (effective for annual periods beginning on or after January 1, 2013);
- IFRS 13,"Fair Value Measurement" (effective for annual periods beginning on or after January 1, 2013); and
- IFRIC 20, " Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after January 1, 2013).

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 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. All impairment losses are recognised in the statement of comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been change in the estimates used to determine the recoverable amount.

2.8 Cash and cash equivalents

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

2.9 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.

2.10 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 contribution scheme under IAS-19, is recognised as an expense in the statement of comprehensive income.

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.

2.11 Revenue recognition

Revenue is recognized when the services are rendered by the Company during the year.

2.12 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 financial position date. The resultant exchange gains and losses are recognized in the statement of comprehensive income.

2.13 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.

2.14 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. Judgments

Judgment 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 March 31, 2012 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 March 31, 2012

3. Plant and equipment

	Furniture		Computer equipment		Total	
	BD	₹	BD	₹	BD	₹
Costs						
At April 1, 2011 and at March 31, 2012	**5,882**	**803,952**	**578**	**79,001**	**6,460**	**882,953**
Accumulated depreciation						
At April 1, 2011	2,501	341,837	578	79,001	3,079	420,838
Charge for the year	1,987	271,583	-	-	1,987	271,583
At March 31, 2012	**4,488**	**613,420**	**578**	**79,001**	**5,066**	**692,421**
Net book value						
At March 31, 2012	**1,394**	**190,532**	**-**	**-**	**1,394**	**190,532**

	Furniture		Computer equipment		Total	
	BD	₹	BD	₹	BD	₹
Costs						
At April 1, 2010 and at March 31, 2011	**5,882**	**803,952**	**578**	**79,001**	**6,460**	**882,953**
Accumulated depreciation						
At April 1, 2010	567	77,498	96	13,121	663	90,619
Charge for the period	1,934	264,339	482	65,880	2,416	330,219
At March 31, 2011	**2,501**	**341,837**	**578**	**79,001**	**3,079**	**420,838**
Net book value						
At March 31, 2011	**3,381**	**462,115**	**-**	**-**	**3,381**	**462,115**

4. Accounts and other receivables

	2012		2011	
	BD	₹	BD	₹
Accounts receivables	2,004,382	273,958,932	1,562,238	213,526,690
Unbilled receivables	172,147	23,529,052	-	-
Advances	162,859	22,259,568	144,521	19,753,130
	2,339,388	**319,747,552**	**1,706,759**	**233,279,820**

Accounts receivables include BD174,907 for which the invoices were submitted to the client of the Company and still subject to their approval.

Unbilled receivables pertain to work performed by the Company which is certified by the engineers for the work performed as of March 31, 2012 but not yet billed to the client.

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

	2012		2011	
	BD	₹	BD	₹
Bank balances	**493,312**	**67,425,884**	**828,416**	**113,227,899**

There are no restrictions on bank balances at the time of approval of the financial statements.

6. Accounts and other payables

	2012		2011	
	BD	₹	BD	₹
Accounts payable	432,706	59,142,256	218,434	29,855,559
Accrued expenses	186,458	25,485,078	180,262	24,638,210
Leave salary	69,382	9,483,132	-	-
	688,546	**94,110,466**	**398,696**	**54,493,769**

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

	2012		2011	
	BD	₹	BD	₹
Tech Mahindra Limited, India	**1,288,445**	**176,104,663**	**1,482,147**	**202,579,852**

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:

	2012		2011	
	BD	₹	BD	₹
At 1 April	32,296	4,414,217	-	-
Amount provided for the year (net)	26,592	3,634,595	32,296	4,414,217
At 31 March	**58,888**	**8,048,812**	**32,296**	**4,414,217**

The number of staff employed by the Company at March 31, 2012 was 124 (2011: 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	₹
Tech Mahindra Limited, India	**500**	**100**	**50,000**	**6,834,000**

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 (2011: Nil).

11. Revenue

	2012		2011	
	BD	₹	BD	₹
Service revenue – costs plus 5% (i)	3,628,765	495,979,600	3,845,360	525,583,805
STC – Pass through (ii)	4,143,993	566,400,963	2,764,470	377,847,759
	7,772,758	**1,062,380,563**	**6,609,830**	**903,431,564**

(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 BD4,143,993 (2011: BD2,764,470).

(ii) This amount pertains to billings made by the Company to STC on behalf of the Parent. This also includes unbilled receivables pertain to work performed by the Company which is certified by the engineers for the work performed as of March 31, 2012 but not yet billed to the client (Note 4).

12. Direct costs

	2012		2011	
	BD	₹	BD	₹
Tech Mahindra Limited - India cost	4,143,993	566,400,963	2,764,470	377,847,760
Staff costs	1,910,445	261,119,623	1,926,235	263,277,800
Project specific costs	1,186,346	162,149,771	1,269,473	173,511,570
Travelling expenses	115,214	15,747,450	146,121	19,971,817
Subcontractor charges	98,248	13,428,537	144,795	19,790,581
	7,454,246	**1,018,846,344**	**6,251,094**	**854,399,528**

13. General and administrative expenses

	2012		2011	
	BD	₹	BD	₹
Professional charges	64,305	8,789,207	81,923	11,197,236
Foreign exchange loss	29,449	4,025,089	21,159	2,892,012
Rent	5,040	688,867	15,840	2,165,011
Transportation	13,348	1,824,405	12,692	1,734,743
Telephone and mobile charges	6,687	913,979	8,977	1,226,976
Recruitment charges	-	-	7,540	1,030,567
Office expenses	4,749	649,093	5,007	684,357
Miscellaneous expenses	20,149	2,753,965	20,069	2,743,031
	143,727	**19,644,605**	**173,207**	**23,673,933**

14. Related party transactions

The Company's related parties include its Proprietor, key management personnel, director, 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 financial position date have been separately disclosed in the financial statements.

The Company's transactions with its related parties are as follows:

		2012		2011	
Name of related party	**Nature of transactions**	BD	₹	BD	₹
Tech Mahindra Limited India	Pass through revenue	4,143,993	566,400,963	2,764,470	377,847,759
Tech Mahindra Limited India	Service revenue	3,628,765	495,979,600	3,845,360	525,583,805

The movement of amount due to Tech Mahindra Limited, India are as follows;

	2012		2011	
	BD	₹	BD	₹
At 1 April	1,482,147	202,579,852	3,006,482	410,925,960
Service income (Note 11)	(3,628,766)	(495,979,600)	(3,845,359)	(525,583,805)
Cost of services (Note 12)	4,143,993	566,400,963	2,764,470	377,847,760
Other reimbursements	457,644	62,550,782	1,410,202	192,746,409
Payments	(4,867,808)	(665,331,997)	(5,722,858)	(782,200,231)
Receipts	3,701,235	505,884,663	3,869,211	528,843,759
At 31 March	**1,288,445**	**176,104,663**	**1,482,148**	**202,579,852**

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 Director 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 March 31, 2012:

Particulars	**Due within 1 year**	
	BD	₹
Accounts and other payables	583,061	79,692,777
Amount due to related party	1,288,445	176,104,663
	1,871,506	**255,797,440**

The following table shows the maturity profile of financial liabilities as at March 31, 2011:

Particulars	**Due within 1 year**	
	BD	₹
Accounts and other payables	398,696	54,493,769
Amount due to related party	1,482,147	202,579,852
	1,880,843	**257,073,621**

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:

Particulars	**2012**		**2011**	
	BD	₹	BD	₹
Accounts and other receivables	2,176,529	297,487,984	1,562,238	213,526,690
Bank balances	493,312	67,425,884	828,416	113,227,899
	2,669,841	**364,913,868**	**2,390,654**	**326,754,589**

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 March 31, 2012.

Particulars	**Neither past due or impaired**	
	BD	₹
Accounts and other receivables	2,176,529	297,487,984
Bank balances	493,312	67,425,884
	2,669,841	**364,913,868**

The table below shows the age analysis of the Company's financial assets as at March 31, 2011.

Particulars	**Neither past due or impaired**	
	BD	₹
Accounts and other receivables	1,562,238	213,526,690
Bank balances	828,416	113,227,899
	2,390,654	**326,754,589**

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.

	2012		**2011**	
	BD	₹	BD	₹
Total equity	798,215	109,100,027	625,417	85,481,996
Less: Cash and cash equivalents	(493,312)	(67,425,884)	(828,416)	(113,227,899)
Capital	**304,903**	**41,674,143**	**(202,999)**	**(27,745,903)**
Total equity	798,215	109,100,027	625,417	85,481,996
Overall financing	**798,215**	**109,100,027**	**625,417**	**85,481,996**
Capital to overall financing	0.38	0.38	-	-

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 previous year have been reclassified/re-arranged 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

10, Amodu Ojikutu Street,

Off Saka Tinubu Street,

Victoria Island,
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 MARCH 31, 2012

DIRECTORS' REPORT

The Directors submit their report together with the Audited Financial Statements for the year ended 31st March, 2012.

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 2010.

2 PRINCIPAL ACTIVITY

The principal activity of the Company is to provide global solution on information technology to various sector of the economy. It 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 notified 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 DONATIONS AND CHARITABLE GIFTS

There were no donations made during the year.

6 POST BALANCE SHEET EVENTS

There are no post balance sheet events which could have a material effect on the financial position of the Company as at March 31, 2012 and profit attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

7 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 is in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Company continues and appropriate training arranged to ensure that they fit into the Company's working environment. The Company had no physically challenged person in its employment as at 31st March, 2012.

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 affecting their current and future interests.

8 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 office as Auditors to the Company. A resolution will be proposed authorising the Directors to fix their remuneration.

By order of the Board

Milind Kulkarni	Atanu Sarkar
Director	Director

Lagos, Nigeria.

Date: May 14, 2012

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

RESULTS AT A GLANCE

	2012	2011
	=N=	=N=
Profit and Loss:		
Turnover	**2,813,886,520**	449,814,060
Profit Before Taxation	**343,037,207**	74,588,623
Profit After Taxation	**232,128,500**	50,071,347
Balance Sheet:		
Debtors and Prepayment	**1,163,514,278**	334,918,251
Creditors and Accruals	**1,117,908,086**	377,417,975
Shareholders' Funds	**435,239,873**	65,321,373
Per Share Data:		
Earnings Per Share (Kobo)	**152**	328
Net Assets Per Share (N)	**3**	4

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 confirmity 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:

Milind Kulkarni Director	Atanu Sarkar Director

Date: May 14, 2012

REPORT OF THE AUDITORS 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, 2012 set out on pages 10 to 19, 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, 2012 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), Cap C20 LFN 2004 and relevant statements of accounting standards issued by the Financial Reporting Council (FRC).

Spiropoulos, Adiele, Okpara & Co.
Chartered Accountants
Lagos, Nigeria.
Date: May 14, 2012

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 %
Plant and Machinery	20
Furniture & Fittings	20
Computer	33 1/3
Motor Vehicle	33 1/3

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 shares in issue during the year.

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	2012 =N=	2011 =N=
FIXED ASSETS			
At Cost Less Accum. Depreciation	6	**15,422,678**	4,670,853
CURRENT ASSETS			
Debtors and Prepayment	8	**1,163,514,278**	334,918,251
Bank Balance	9	**528,509,994**	105,671,565
Deferred Taxation		**599,925**	-
		1,692,624,197	440,589,816
CURRENT LIABILITIES			
Amount falling due within 1 year:			
Creditors and Accruals	10	**1,117,908,086**	377,417,975
Deferred Taxation		**-**	2,521,320
		1,117,908,086	379,939,295
Amount falling due after 1 year:			
Unsecured Loan from Tech Mahindra Limited	11	**154,898,916**	-
Net Current Assets		**419,817,196**	60,650,521
Total Assets Less Liabilities		**435,239,873**	65,321,373
FINANCED BY:			
Share Capital	12	**153,040,026**	15,250,026
Profit and Loss Account		**282,199,847**	50,071,347
		435,239,873	65,321,373

DIRECTORS

Mr. Milind Kulkarni (Indian)

Mr. Atanu Sarkar (Indian)

Chief (Mrs) Faidat. Oreagba (Nigerian)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

	Notes	2012 =N=	2011 =N=
Turnover	1	**2,813,886,520**	449,814,060
Direct Expenses	2	**(1,620,676,260)**	(299,541,558)
		1,193,210,260	150,272,502
Interest Expense/Similar Charges	3	**(8,406,483)**	(235,041)
Less Expenses:			
Administrative Expenses	4	**(844,850,151)**	(80,524,051)
		339,953,626	69,513,410
Other Income	5	**3,083,581**	5,075,214
Profit Before Taxation		**343,037,207**	74,588,623
Taxation	7	**(110,908,707)**	(24,517,276)
Profit after Taxation		**232,128,500**	50,071,347
Retained Profit For the Year		**232,128,500**	50,071,347
Retained Profit Brought Forward		**50,071,347**	-
Retained Profit Carried Forward		**282,199,847**	50,071,347
Earnings per share (Kobo)		**152**	328
Net Assets per share (=N=)		**3**	4

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2012

	2012 =N=	2011 =N=
Cash Flow From Operating Activities		
Profit Before Tax	**343,037,207**	74,588,623
Adjustment		
Depreciation	**5,597,174**	129,393
Operating Profit Before Working Capital Changes:	**348,634,381**	74,718,016
(Increase)/Decrease in Debtors and Prepayment	**(828,596,027)**	(334,918,251)
Increase/(Decrease) in Creditors and Accruals	**648,456,115**	355,422,019
	(180,139,912)	20,503,768
Tax Paid	**(21,995,956)**	-
Net Cash Flow from Operating Activities	**146,498,513**	95,221,784
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	**(16,349,000)**	(4,800,245)
Net Cash Flow from Investing Activities	**(16,349,000)**	(4,800,245)
Cash Flow from Financing Activities:		
Share Capital	**137,790,000**	15,250,026
Unsecured Loan from Tech Mahindra Limited	**154,898,916**	**-**
Net Cash Flow from Financing Activities	**292,688,916**	15,250,026
Net Inflow in Cash and Cash Equivalent	**422,838,429**	105,671,565
Cash and Cash Equivalent as at 1st April, 2011	**105,671,565**	-
Cash and Cash Equivalent as at 31st March, 2012	**528,509,994**	105,671,565
Cash and Cash Equivalent Consist of :		
Bank	**528,509,994**	105,671,565
	528,509,994	105,671,565

NOTES TO THE FINANCIAL STATEMENTS

		2012 =N=	2011 =N=
1	**TURNOVER**		
	Sales	**2,813,886,520**	449,814,060
2	**DIRECT EXPENSES**	**1,620,676,260**	299,541,558
3	**INTEREST EXPENSES/ SIMILAR CHARGES**		
	Bank Charges	**8,406,483**	235,041
4	**ADMINISTRATIVE EXPENSES**		
	Salaries and Wages	**583,975,033**	35,881,665
	Gas and Electricity	**-**	29,500
	Guest House Expenses	**26,286,213**	5,624,119
	Staff Welfare	**7,396,708**	-
	Staff Recruitment	**3,359,652**	-
	Telephone, Internet and Postage	**12,416,248**	2,552,879
	Rent	**3,699,945**	930,508
	Motor Running Expenses	**2,595,353**	773,142
	Audit Fees	**4,920,000**	1,200,000
	Entertainment	**242,251**	1,517,165
	Office Running Expenses	**36,260,028**	1,174,250
	Business Promotion Expenses	**13,665,779**	1,642,435
	Repairs and Maintenance	**7,568,895**	5,275,280
	Insurance	**27,683,216**	1,500,133
	Legal Expenses and Professional Fees	**21,582,518**	4,868,498
	Travelling and Conveyance	**39,934,568**	8,480,119
	Depreciation	**5,597,174**	129,393
	Miscellaneous Expenses	**17,919,769**	7,530,175
	Exchange Loss	**11,540,010**	1,414,790
	Sec Fee	**16,723,764**	-
	Printing and Stationery	**1,483,027**	-
		844,850,151	80,524,051
5	**OTHER INCOME**		
	Interest Received	**2,978,865**	97,345
	Exchange Gain - Unrealized/Realized	**104,716**	4,977,869
		3,083,581	5,075,214

NOTES TO THE FINANCIAL STATEMENTS

6	FIXED ASSETS	MOTOR VEHICLE =N=	PLANT & MACHINERY =N=	COMPUTER =N=	FURNITURE & FITTINGS =N=	TOTAL =N=
	COST					
	As At 1st April, 2011	3,748,950	880,000	71,295	100,000	4,800,245
	Additions during the year	8,245,000	1,487,040	2,039,160	4,577,800	16,349,000
	As At 31st March, 2012	**11,993,950**	**2,367,040**	**2,110,455**	**4,677,800**	**21,149,245**
	DEPRECIATION					
	As At 1st April, 2011	104,138	15,666	7,922	1,666	129,393
	Charge for the year	3,016,313	1,663,024	259,502	658,336	5,597,174
	As At 31st March, 2012	3,120,451	1,678,690	267,424	660,002	5,726,567
	NET BOOK VALUE					
	As At 31st March, 2012	**8,873,499**	**688,350**	**1,843,031**	**4,017,798**	**15,422,678**
	As At 31st March, 2011	**3,644,813**	**864,334**	**63,373**	**98,333**	**4,670,853**

7	TAXATION	**2012 =N=**	2011 =N=
	Charge:		
	Current Tax:		
	Education Tax	**7,088,494**	1,394,803
	Technology Tax	**3,430,372**	745,886
	Income Tax Charge	**103,511,086**	19,855,267
	Deferred Tax	**(3,121,245)**	2,521,320
	Charge for the year	**110,908,707**	24,517,276
	Payable		
	At Start of the Year	**21,995,956**	-
	Tax Paid	**(21,995,956)**	-
	Income Tax Charge	**114,029,952**	21,995,956
	At End of the Year	**114,029,952**	21,995,956

8	DEBTORS AND PREPAYMENTS		
	Amount falling due within one year:		
	Accounts Receivable	**881,477,945**	421,199,289
	Unearned Income	**(80,969,514)**	(115,941,331)
		800,508,431	305,257,958
	Withholding Tax Receivable	**200,390,134**	5,795,288
	Advance Payment to Suppliers	**6,464,447**	4,765,614
	Staff Debtors	**6,240,104**	306,600
	Prepaid Expenses	**149,911,162**	18,792,791
		1,163,514,278	334,918,251

NOTES TO THE FINANCIAL STATEMENTS

		2012 =N=	2011 =N=
9	**BANK AND CASH**		
	Bank Balance	**528,509,994**	105,671,565
10	**CREDITORS AND ACCRUALS**		
	Amount falling Due within one year		
	Accounts Payable	**827,411,332**	267,134,505
	Corporate Taxation	**114,029,952**	21,995,956
	Accrued Expenses	**117,031,958**	66,688,839
	VAT Payable	**54,635,068**	21,598,675
	Advances From Customers	**4,799,776**	-
		1,117,908,086	377,417,975
11	**Amount falling Due after one year**		
	Unsecured Loan from Tech Mahindra Limited India	**154,898,916**	-
12	**SHARE CAPITAL**		
	Authorised		
	153,790,000 Ordinary Shares of N1.00 each	**153,790,000**	16,000,000
	Issued and Fully Paid-Up		
	153,040,026 Ordinary Shares of N1.00 each	**153,040,026**	15,250,026
13	**PROFIT AND LOSS ACCOUNT**		
	The profit for the year is arrived at after charging the following:		
	Depreciation	**5,597,174**	129,393
	Auditors Remuneration	**4,920,000**	1,200,000
14	**EMPLOYEES**		
	The number of persons employed by the Company during the year were 137		
15	**SUBSTANTIAL INTEREST IN SHARES**		
	TECH MAHINDRA LIMITED INDIA	**153,040,025**	15,250,025
	MILIND KULKARNI	**1**	1
		153,040,026	**15,250,026**

NOTES TO THE FINANCIAL STATEMENTS

16 FINANCIAL COMMITMENT

The Directors are of the opinion that all known liabilities and financial commitments have been taken into consideration in the preparation of these financial statements.

17 CONTINGENT LIABILITIES

At the balance sheet date, there were no claims, guarantees, or litigations against the Company likely to result in any significant liability.

18 RELATED PARTY TRANSACTIONS

Parent Company - Tech Mahindra Limited India	
Beginning Balance Due to Parent Company on 1/4/2011	**261,088,800**
Subcontractors for subs cost to parent Company	**335,561,375**
Reimbursement of expenses receivable from parent	**(23,410,005)**
Interest loan taken from parent Company	**1,781,810**
Reimbursement of expenses payable to parent Company	**59,091,212**
Purchase of asset from parent	**1,487,040**
Closing Balance as at March 31, 2012	**635,600,232**
Loan from Tech Mahindra Limited India	**154,898,916**
Associate Company - Satyam Computer Services Limited	
Beginning Balance as at 1/4/2011	**-**
Subcontractors for subs cost to Associates Company	**111,541,207**
Reimbursement of expenses receivable from Associate Company	**(16,864,916)**
In prepaid expenses/advance	**112,134,827**
Payments to Associate Company	**(73,262,163)**
Withholding Tax	**(9,519,837)**
Due to Associate Company	**124,029,118**

19 APPROVAL OF ACCOUNT

These financial statements were approved by the board of the directors of the Company on May 14, 2012

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST MARCH 2012

	2012 =N=	%	2011 =N=	%
Turnover	**2,813,886,520**		449,814,060	
Brought in Materials and Services	**(1,873,880,398)**		(339,214,379)	
	940,006,122	**100**	110,599,681	100
APPLIED AS FOLLOWS:				
To Pay Employee's Salaries, Wages and Fringe Benefits.	**591,371,741**	**63**	35,881,665	32
To Provide For Depreciation of Fixed Assets.	**5,597,174**	**1**	129,393	0
To Pay Tax to Government	**110,908,707**	**12**	24,517,276	22
To be Retained for Company's Growth.	**232,128,500**	25	50,071,347	45
	940,006,122	100	110,599,681	100

TECH MAHINDRA BRASIL SERVICOS DE INFORMATICA LTDA.

Board of Directors

Mr. Milind Kulkarni

Registered Office

Rua Quintana,
887, 12º. Andar,
Brooklin Novo,
conjunto 121,
São Paulo, SP,
CEP 04569-011
Brazil.

DIRECTORS' REPORT

Your Directors present their Report for the period ended March 31, 2012.

Review of Operations:

The Company was although registered and became subsidiary of Tech Mahindra Limited effective 21st July 2010 the Company has not commenced its operations yet.

Outlook for the current year:

The management will examine the business prospects and then take a view on operations of the business.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the State and other Government Authorities.

Milind Kulkarni
Director

Place: Pune
Dated: May 21, 2012

TECH TALENTA INC.

Board of Directors

Mr. L Ravichandran

Mr. Gurpreet Grewal

Registered Office

211, E. 7th Street,
Suite 620, Austin,
Tx 78701, Texas, USA

DIRECTORS' REPORT TO THE SHAREHOLDERS

Review of Operations:

Tech Talenta Inc. was incorporated on 6th March 2012 as a step down subsidiary of Tech Mahindra – (Americas) - Inc., a wholly owned subsidiary of your Company. The Company is in process to commence its operations.

Board:

Mr. L Ravichandran and Mr. Gurpreet Grewal are the members of the Board of Directors.

L Ravichandran

Director

Pune, May 21, 2012

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 Seventh Annual Report of your Company for the year ended March 31, 2012.

FINANCIAL RESULTS

(Figures in ₹)

For the year Ended March 31	2012	2011
Donations received	**77,239,744**	93,206,484
Interest received on investments	**41,583,642**	31,549,263
Expenditure on the objects of the Company	**81,035,338**	74,253,919
Corpus fund	**473,603,751**	438,369,234

Review of Activities

As you know the Company was promoted in 2006 by Tech Mahindra Limited with an initial corpus of ₹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 seeks to achieve its objectives by working in partnership with outstanding community based NGOs which share its goals and values and have demonstrated competence, dedication and integrity. TMF NGO projects address felt community needs.

Your Company's major achievements have been:

- Qualitative improvement in Primary Education of both government and English medium NGO Schools
- Development of Yuva English progamme to empower youth to become employable
- Creation of Vision For India (VFI) – a network of outstanding visually impaired NGO partners – impact through shared resources & appropriate technology
- Shikshak Samman Awards in Delhi – to outstanding municipal teachers - a way to bring about systemic change by recognizing merit

Future plans are to make the Company a bigger, richer and more robust Foundation by improving our outcomes and impact across 3 verticals –

1) **Education**
   - Work through the government system & Mother NGOs
   - Improve Quality of Teacher Training and learning outcomes of children
2) **Vocational Training** – participate in the national mission on Skill Development
   - Target huge drop-out/unemployed youth
   - Train in market aligned trades
   - Make Yuva English an integral part of our VT initiative
3) **Vision For India (VFI)** - to play a catalytic role for enabling the visually impaired (VI) in association with our outstanding VI NGO partners, through:
   - Inclusive Education
   - Assistive Technology
   - Advocacy & Awareness, and
   - Employability

Thrust across these verticals:

A) Girls/Women as at least 50% beneficiaries

B) Associate partnership: Increase in "volunteering" by Associates and their spouses

C) Building of brand TMF

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 ₹ 6,000,000 during the year ended March 31, 2012 or not less than ₹ 500,000 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 March 31, 2012 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

Keshub Mahindra
Chairman

Place: Mumbai
Date : May 21, 2012

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 2012, 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, 2012 and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012 and

   ii) in the case of the Income and Expenditure Account of the deficit for the year ended on that date.

For **B. K. Khare & Co.**
Chartered Accountants

R. D. Onkar
(Partner)
M. No. 45716

Place: Pune
Date: May 21, 2012

Balance Sheet as at March 31, 2012

		Schedule	**As at March 31, 2012 ₹**	As at March 31, 2011 ₹
I.	**SOURCES OF FUNDS :**			
	SHAREHOLDERS' FUNDS:			
	Capital	I	**500,000**	500,000
	Corpus Fund	I	**473,782,823**	438,282,823
	Surplus /(Deficit) in Income and Exenditure Account		**(179,072)**	86,411
	TOTAL		**474,103,751**	438,869,234
II	**CURRENT ASSETS, LOANS AND ADVANCES:**	II		
	Loans & Advances		**15,307,840**	12,113,195
	Cash and Bank Balances		**458,940,779**	426,824,122
			474,248,619	438,937,317
	Less : CURRENT LIABILITIES AND PROVISIONS:			
	Liabilities	III	**144,868**	68,082
			144,868	68,082
	TOTAL		**474,103,751**	438,869,234
	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 : May 21, 2012

For Tech Mahindra Foundation

Keshub Mahindra
Director

Anand Mahindra
Director

Vineet Nayyar
Director

Place: Mumbai
Dated : May 21, 2012

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2012

	Schedule	March 31, 2012 ₹	March 31, 2012 ₹
INCOME	IV	**83,323,386**	**75,255,747**
TOTAL		**83,323,386**	75,255,747
EXPENDITURE			
Operating and Other Expenses	V	**2,553,532**	**1,394,748**
Donation		**81,035,338**	**74,253,919**
TOTAL		**83,588,870**	75,648,668
(Deficit)/Excess of Income over Expenditure for the year		**(265,483)**	**(392,921)**
Balance carried forward from previous year		**86,411**	**479,332**
Excess of Income over expenditure/(Expenditure over income)		**(179,072)**	**86,411**
TOTAL		**83,323,386**	75,255,747
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 : May 21, 2012

For Tech Mahindra Foundation

Keshub Mahindra, Director
Anand Mahindra, Director
Vineet Nayyar, Director

Place: Mumbai
Dated : May 21, 2012

Schedules forming part of the Balance Sheet

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Schedule I		
Corpus Funds		
Share Capital		
Authorised :		
50,000 Equity Shares of ₹ 10/- each fully paid-up	**500,000**	500,000
Issued, Subscribed & Paid up :		
50,000 Equity Shares of ₹ 10/- each fully paid-up	**500,000**	500,000
TOTAL	**500,000**	500,000
Specific Donations		
As per last Balance Sheet	**438,282,823**	388,782,823
Add : Received during the year	**35,500,000**	49,500,000
TOTAL	**473,782,823**	438,282,823
Schedule II		
CURRENT ASSETS, LOANS AND ADVANCES :		
(a) Current Assets :		
Interest Accrued on Deposits	**5,486,816**	5,662,133
TOTAL	**5,486,816**	5,662,133
(b) Loans and Advances :		
(Unsecured)		
Balances with Government Authorities		
Tax Deducted at Source	**9,820,751**	6,451,062
Other Advances	**274**	-
TOTAL	**9,821,025**	6,451,062
(c) Cash and Bank Balances: Balance with Scheduled banks:		
(i) In Current accounts	**2,245,770**	318,713
(ii) In Fixed Deposit accounts	**456,695,009**	426,505,409
	458,940,779	426,824,122
TOTAL	**474,248,619**	438,937,317
Schedule III		
CURRENT LIABILITIES AND PROVISIONS:		
Dues to Small Scale Industrial Undertakings	**-**	-
Others	**144,868**	68,082
TOTAL	**144,868**	68,082

Schedules forming part of the Income and Expenditure Account

	March 31, 2012	March 31, 2011
	₹	₹
Schedule IV		
INCOME		
Interest on Deposits with banks	**41,583,642**	31,549,263
Donations Received	**41,739,744**	43,706,484
TOTAL	**83,323,386**	75,255,747

	March 31, 2012	March 31, 2011
Schedule V		
OPERATING AND OTHER EXPENSES		
Professional Fees	**968,139**	415,464
Bank Charges	**235**	226
Audit Fees	**55,150**	55,150
Printing & Stationery	**76,978**	55,408
Travelling & Conveyance	**874,733**	500,357
Books & Periodicals	**126,558**	2,464
Welfare Expenses	**45,891**	2,844
Award Functions & Rewards	**5,867**	8,625
Hall Rent	**98,709**	82,092
Telephone Expenses	**41,164**	32,920
Office & Miscellaneous Expenses	**260,108**	239,199
TOTAL	**2,553,532**	1,394,748

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, 2012

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 : May 21, 2012

For Tech Mahindra Foundation

Keshub Mahindra, Director
Anand Mahindra, Director
Vineet Nayyar, Director

Place: Mumbai
Dated : May 21, 2012

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