

THINKSOFT GLOBAL SERVICES LIMITED
Regd. Off. : Type II, Unit 5, Dr. VSI Estate, Thiruvanniyur, Chennai – 600041, Tamil Nadu

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of Thinksoft Global Services Limited will be held on Friday, September 3rd, 2010 at 3.30 p.m. at The Music Academy, Mini Hall, No.168, T.T.K. Road, Royapettah, Chennai-600014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To confirm the payment of Interim Dividend of 10% on Equity Shares declared in March 2010 as Final Dividend for the year 2009-10.
3. To appoint a Director in place of Mr. K. Kumar, who is liable to retire by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. PKF Sridhar & Santhanam, Chartered Accountants, the retiring auditors, are eligible for re-appointment.

SPECIAL BUSINESS

5. Approval of payment of minimum remuneration to the Whole time Directors in the event of loss or inadequate profit:

To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution:-

Resolved that in pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to the limits specified in the Service Agreements, consent of the Company be and is hereby accorded that in the event of loss or inadequate profit in any financial year, a minimum remuneration be paid within the limits as specified under Schedule XIII of the Companies Act, 1956 and as may be prescribed by the Central Government from time to time to Mr. A. V. Asvini Kumar, Managing Director, Ms. Vanaja Arvind, Executive Director and Mr. Mohan Parvatikar, Whole time Director, with no other change to their existing service contract or to the terms of their appointment as approved by the Shareholders.

Resolved further that the aforesaid remuneration proposal be valid for a maximum period of 3 years from 01st April 2010 to 31st March 2013.

6. Approval for payment of Commission to Non-Executive Directors:

To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution:-

Resolved that pursuant to Section 309(4) and other applicable provisions of the Companies Act, 1956, and such Statutory approval as may be necessary, consent of the Board of Directors be and is hereby accorded to the payment of remuneration to all the Non-Executive / Independent Directors, by way of commission not exceeding 1% of the net profits of the Company, to be paid to or distributed amongst all the Non-Executive Directors of the Company as may be identified and decided by the Board of Directors or Committee thereof from time to time for a period of five financial years commencing from 01st April 2009 to 31st March 2014 and such payment be made out of the profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 for each year.

Resolved further that the Board of Directors be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this resolution.

By order of the Board of Directors

S. Akila
Company Secretary

Place: Chennai
Date: July 29, 2010

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Special Business to be transacted at the meeting, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of person seeking re-appointment as Director under Item no.3 of the Notice is also annexed.
4. The Register of Members and Transfer Books of the Company will be closed from 14th August 2010 to 21st August 2010 (both days inclusive).

Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO.5:

The Shareholders in the Extraordinary General Meeting held on 17th September 2008 had re-appointed Mr. A.V. Asvini Kumar and Ms. Vanaja Arvind as Managing Director and Executive Director respectively for a period of 5 years from 01st April, 2008 till 31st March 2013. Mr. Mohan Parvatikar was appointed as Whole time Director from 01st April 2009 till 31st March 2014 in the Annual General Meeting held on 28th August 2009. The Company has also entered in Directors Service Agreements with each of them towards the same.

During the year 2009-10 the Whole time Directors were paid remuneration only within the limits specified under the Companies Act, 1956 and the profits not being adequate to pay the remuneration as approved earlier, the whole time directors waived the differential amount.

The Remuneration Committee and Board of Directors of the Company have recommended payment of minimum remuneration to the Whole time Directors in case of loss or inadequate profit as per Schedule XIII of the Companies Act, 1956.

The Whole time Directors, Mr. A. V. Asvini Kumar, Ms. Vanaja Arvind and Mr. Mohan Parvatikar are deemed to be interested in the resolution. No other Director is concerned or interested in the passing of this resolution.

Annexure forming part of the explanatory statement as required to be given pursuant to Part II of Schedule XIII of the Companies Act, 1956, for payment of remuneration to Whole time Director in excess of limits specified in case of loss or inadequate profits.

I. General Information:

a) Nature of Industry:

The Company is in the business of Software Testing Services. Through Thinksoft's domain focus, structured testing methodologies, offshore delivery and test automation expertise, Thinksoft help clients realize 'business ready software', compress timelines and reduce software product life cycle costs.

b) Date or expected date of commencement of commercial production:

The Company is already in the Service Industry and has been in the business for over a decade now.

c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

d) Financial performance based on given indicators.

	31st March 2010	31st March 2009
Profit After Tax	Rs.80.01 Million	Rs.138.79 Million
EPS	Rs.8.58	Rs.16.88
Networth	Rs.658.38 Million	Rs.436.98 Million

e) Export performance and net foreign exchange collaborations.

Export Revenues for the year ended 31st March 2010 were Rs.699.88 Million.

Total Foreign Exchange earned during the year 2009 – 2010 was Rs. 816.78 Million.

Total Foreign Exchange used during the year 2009 – 2010 was Rs. 266.35 Million.

f) Foreign investments or collaborators, if any.

The Company does not have any foreign direct investments or collaboration.

II. Information about the appointee

a) Background details :

Mr. A.V. Asvini Kumar, aged 57 years, holds a Bachelors of Science degree in Physics (Osmania University) and a PGDM from IIM, Bangalore (1981). He, along with 3 other IIM batch mates co-founded and ran a consulting start-up for 2 years (1981-83). This was followed by a 1 year assignment at IIM - Bangalore to help set up and upgrade their student and faculty computing facilities and later by a 5 year stint with PSI Data Systems, as Product Support Manager. He founded Thinksoft with the objective of providing value added IT consulting services, mainly in the areas of requirements testing, documentation and domain consulting. In 1999, he along with two others re-structured Thinksoft as a Private Company to promote the offshore model for software testing.

Ms. Vanaja Arvind – aged 62 years is an M.A. Sociology (University of Madras) and M.S. in Information Science (University of Pittsburgh). After a stint with a Chennai headquartered NBFC, she co- founded and ran her own software consulting firm for a few years before joining Citibank in 90. During her stint in Citibank she successfully spearheaded efforts to obtain an SEI CMM level 3 certification. After another brief tenure as the CEO of an Indian ISP, she moved on to IBM Global Services (India) where she held many roles, first as the Head of Quality, then as a key member of its outsourcing team in New Jersey and lastly as their India Country Manager (SMB Services). Ms. Vanaja became associated with Thinksoft in 2000.

Mr. Mohan Parvatikar aged 55 years is a Whole time Director of the Company. Mr. Mohan graduated from IIT - Delhi and later enrolled at IIM, Bangalore to get his MBA. After working for major Indian financial sector organisations for many years (SBI, ICICI and KSFC) Mohan re-invented himself as a stockbroker on the Bangalore Stock Exchange. He became associated with Thinksoft in 2000.

b) Past Remuneration

The remuneration drawn by the Whole time Directors during the year 2009-10 are as follows:

- (i) Mr. A. V. Asvini Kumar - Rs. 38,50,000/-
- (ii) Ms. Vanaja Arvind - Rs. 38,50,000/-
- (iii) Mr. Mohan Parvatikar - Rs.12,00,000/- (including Commission of Rs,6,00,000/-)

c) Job profile and their suitability:

Mr. A. V. Asvini Kumar, Ms. Vanaja Arvind and Mr. Mohan Parvatikar are the promoters of the Company and have been associated with the Company for more than a decade, with substantial expertise in the management and operations of the company from its inception. Under the overall guidance of the Board of Directors, they effectively manage the day to day running of the Company to realize its Annual Plans and Targets and help meet its strategic goals.

d) Remuneration Proposed:

The Whole time Directors of the Company are paid remuneration as per the Service Agreement entered with them. The details are as follows:

	<u>Name / Designation of the Director</u>	<u>Date of Agreement</u>	<u>Tenure</u>	<u>Terms as per Directors Service Contract</u>
a	Mr. A.V. Asvini Kumar Managing Director	18-Sep-08	1-April-08 to 31-Mar-2013	Salary : INR 6.00 Million per annum Profit Sharing: 2.5% of profits of the Company subject to Limits as Per Companies Act Severance Pay: INR 10.00 Million
b	Ms. Vanaja Arvind Executive Director	18-Sep-08	1-April-08 to 31-Mar-2013	Salary : INR 6.00 Million per annum Profit Sharing: 2.5% of profits of the Company subject to Limits as Per Companies Act Severance Pay: INR 10.00 Million
c	Mr. Mohan Parvatikar Whole Time Director	28-Aug-09	1-Aug-09 to 31-Jul-2014	Salary : INR 1.50 Million per annum Profit Sharing: 1% of profits of the Company subject to Limits as Per Companies Act

e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

There is not much comparison available in the market in terms of industry and size of the Company.

f) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Mr. A. V. Asvini Kumar and Mr. Mohan Parvatikar are the Managing Director and Whole time Director respectively and are not related to any managerial personnel. Ms. Vanaja Arvind is the Executive Director of the Company and is related to Ms. Aarti Arvind, Vice-President-Commercials.

III. Disclosures:

Please refer to para II. b) for the remuneration paid to the Whole time Directors during the previous year and to para II. e) above for the terms of their appointment.

ITEM NO. 6:

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration by way of Commission, if the Company by Special Resolution, authorizes such payment.

Non-Executive and Independent Directors of the Company viz., Mr. K. Kumar, Mr. C. N. Madhusudan and Dr. S. Rajagopalan have apart from the good academic background, also have rich experience in their respective field of expertise. They have made themselves available for consultations and discussions on any important issues of the Company and have contributed by providing directions and advice in critical aspects. Also as Independent Directors, and as members of various committees of the Company, the organization has benefited immensely of their expertise and knowledge. The Board, considering the contributions made by the Independent/Non-Executive Directors, have recommended that Commission be paid to them that commensurate with the time devoted and the contribution made by them and within the limits as specified under the Companies Act, 1956.

The Board of Directors have recommended that the non-executive directors be paid Commission which in the aggregate in a financial year, shall not exceed 1% of the net profits of the Company. Such Commission shall be in addition to the sitting fees of Rs.20,000/- paid for each meeting attended. The Board of Directors have also recommended payment of Commission Rs. 2,00,000 (Rupees Two Lakhs Only) to each of the three Non-Executive Independent Directors for the year 2009-10.

The Board of Directors recommends the resolution for the approval of the Members.

Non-Executive Independent Directors of the Company namely, Mr. K. Kumar, Mr. C. N. Madhusudan and Dr. S. Rajagopalan are interested in the resolution to the extent of the remuneration that may be received by them.

By order of the Board of Directors

**S. Akila
Company Secretary**

**Place: Chennai
Date: July 29, 2010**

Details of Director seeking re-appointment at the Annual General Meeting

Particulars	Mr. K. Kumar
Date of Birth	May 22, 1957
Date of Appointment	September 17, 2008
Qualifications	B.E, PGDM, Fellow IIMB
Expertise in specific functional areas	Has over two decades of experience as a corporate manager, consultant, entrepreneur and academic. In his current role as a Professor of Entrepreneurship and Chairperson of the NS Raghavan Centre for Entrepreneurial Learning (NSRCEL) at Indian Institute of Management Bangalore (IIM-B) , he works closely with many start ups and growth seeking businesses.
Directorships held in other public companies (excluding foreign companies and section 25 companies)	Nil
Memberships/Chairmanships of Committees of other public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	Nil
Number of Shares held in the Company	1,000 Shares



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ATTENDANCE SLIP
(To be presented at the entrance)

12TH ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 3rd, 2010 AT 3.30 P.M.

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

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

I/We hereby record my/our presence at the 12th Annual General Meeting of the members of the Company held on Friday,03rd September 2010 at 3.30 p.m. at The Music Academy, Mini Hall, No.168, T.T.K. Road, Royapettah, Chennai-600014

Name of the Member/Proxy holder:

Signature of Shareholder/proxy



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

PROXY FORM

I/We _____ of _____ being a Member/Member(s) of Thinksoft Global Services Limited appoint _____ or failing him/her _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the Twelfth Annual General Meeting of the company to be held Friday, 03rd September 2010 at 3.30 p.m. at The Music Academy, Mini Hall, No.168, T.T.K. Road, Royapettah, Chennai-600014 and at any adjournment thereof.

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

No. of Shares.....

Signature

Please affix 15 paise revenue stamp

Signed this day of, 2010

Notes:

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

THINKSOFT GLOBAL SERVICES LTD



ANNUAL REPORT 2009-2010

Thinksoft Global Services Limited Board of Directors



MRS. VAINAJA ARVIND
Executive Director



DR. RAJAGOPALAN. S
Non-Executive and Independent Director



MR. MOHAN PARVATIKAR
Whole Time Director



MR. MADHUSUDAN. C.N
Non-Executive and Independent Director



Mr. KUMAR. K
Non-Executive and Independent Director



Mr. ASVINI KUMAR. A.V
Chairman and Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

VANAJA ARVIND
Executive Director

Dr. S. RAJAGOPALAN
Director

MOHAN PARVATIKAR
Whole time Director

C. N. MADHUSUDAN
Director

K. KUMAR
Director

A.V. ASVINI KUMAR
Chairman and Managing Director

COMPANY SECRETARY

S. Akila

AUDITORS

PKF Sridhar and Santhanam
Chartered Accountants, Chennai-600004

INTERNAL AUDITORS

A. Murali & Associates
Chartered Accountants, Chennai-600094

BANKERS

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

ICICI Bank Ltd
T. Nagar, Chennai-600017

Citi Bank NA
Club house Road, Chennai-600002

LEGAL ADVISORS

SRS Associates, Chennai-600004

REGISTRAR AND SHARE TRANSFER AGENTS

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

FACILITATORS

- Software Technology Park (STPI)
Chennai-600041.
- Madras Export Processing Zone (MEPZ)
Tambaram, Chennai-600045
- Tidel Park Limited
Taramani, Chennai -600113
- Velankani Tech Park
Electronic city, Bangalore-560100

REGISTERED OFFICE

Type II, Unit-5, Dr. V.S.I Estate
Thiruvanmiyur, Chennai-600041

WEBSITE

www.thinksoftglobal.com



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LETTER TO SHAREHOLDERS

Dear Shareholders,

The year 2009-10 has proved to be a significant year in the history of the Company for a very special reason. We became a listed company, with a successful IPO cum Offer for Sale to the public in Sep 2009, followed by our shares getting listed on the 2 major Stock Exchanges of country, viz., National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

The listing also makes us the first and only Indian company, specializing in delivering Testing Services to global financial sector organizations, to be listed on a stock exchange in India. The Company now has around 16,500 Shareholders widely spread across the country and we extend our warm welcome to them.

The Company raised Rs. 168.75 Millions by issue of fresh shares through IPO and which is being utilized towards the setting up of new delivery centers, key and prudent capital expenditure. At the completion of this exercise we would have a delivery capacity of 655 seats in Chennai and a key licensing agreement with a test tool vendor in place. This positions us to be able to quickly respond to growth needs for the next 2 years in terms of overall infrastructure availability.

The journey from VC funding to IPO took all of 10 years, resulting in a 20 fold rise in revenues, a tenfold rise in staff strength and the broadening of the customer base from the initial single customer.

Starting with a rudimentary business model proven with a single large multinational customer, we obtained VC funding, opened our first international office, got our second major customer, strengthened our sector focus, boot strapped infrastructure at home, created a delivery organization and geared up for the challenges.

And the challenges were plenty – market crises (dot com bust, Sept 9/11, global economic crisis), marketing and positioning (vendor consolidation by clients, client attrition due to M&A), people (availability, attrition, work culture) and many more.

For the past 2 years we have been in the midst of an unprecedented world economic crisis. This has meant reduction in global IT spending, cancellation of non priority projects, pricing pressure, stretched receivable cycles, volatility of currency exchange rates, vendor consolidation and unfavourable immigration policy changes by developed countries.

Your Company has indeed done well to sustain itself in this economic slowdown. Although the total revenue dropped by 10% as compared to the previous year, the Company remained profitable, has retained all the major clients and have also won 18 new customers during the year. We have also managed to improve delivery margins, move more work offshore and achieve better utilization levels.

However, some key challenges remain. These are mainly related to pricing pressures due to an increased level of competition, non tariff barriers in the advanced countries, contention among industry for capable skilled human resources and the paucity of managerial talent resulting from the fast paced growth of the last decade. We will continue to make all efforts to constantly sharpen our competitive edge and become more cost effective in order to maintain our value proposition to our clients.

As we look back on the last decade, I cannot resist the temptation to quote from one of the greatest of novelists: *"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us"* Charles Dickens, A Tale of Two Cities

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

Yours Sincerely,

A V. Asvini Kumar
Chairman & Managing Director

PERFORMANCE HIGHLIGHTS:

DECADE AT A GLANCE

(Rs. in Millions)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Gross Revenue	828.63	922.62	749.24	588.62	366.91	217.37	123.79	156.01	133.34	109.69
E B I D T A	105.08	178.73	122.16	122.36	48.59	27.04	(0.56)	38.22	34.23	38.70
Profit Before Tax	90.64	160.62	108.15	103.57	40.07	18.90	(11.91)	28.02	25.41	32.68
Profit After Tax	82.33	144.89	99.65	94.61	36.22	15.62	(11.87)	24.94	23.20	32.22
Fixed Assets: Gross Block	101.16	90.15	88.51	69.89	63.78	44.19	41.53	28.54	28.15	20.66
Fixed Assets: Net Block	42.44	33.49	28.17	22.13	27.73	11.44	11.16	6.58	14.29	14.73
Share Capital	100.52	87.02	76.63	72.45	70.68	70.68	70.68	70.66	70.66	1.72
Reserves and surplus	592.17	381.94	246.55	160.03	82.05	53.89	43.11	59.77	42.81	91.26
Net worth	692.68	468.96	328.99	232.48	152.73	124.57	113.79	130.43	113.47	92.98
Sundry Debtors	159.31	238.57	203.70	186.43	98.50	59.80	24.61	55.24	19.71	46.50
Cash and Bank Balances	513.95	265.60	147.25	76.56	47.36	58.40	116.67	70.24	77.81	35.86
Current Assets	789.18	600.34	419.98	291.00	184.08	139.25	164.03	145.49	111.67	92.56
Current Liabilities	149.27	171.09	122.58	81.98	59.84	25.09	18.18	21.49	11.00	12.85
Working Capital	639.90	429.24	297.4	209.02	124.24	113.26	145.85	124.00	100.67	79.71
No of Equity Shares ('000)	10,052	8,702	7,663	7,245	7,068	7,068	7,068	7,066	7,066	172
Earnings Per Share (Diluted) (Rs.)	8.83	17.62	13.38	13.21	5.12	2.21	(1.68)	3.53	4.87	240.00
Book Value per Share (Rs.)	68.91	53.89	42.93	32.09	21.61	17.63	16.10	18.46	16.06	539.51



Thinksoft's Credo

Mission

Leverage our expertise to support Global organizations enhance their customers' experience by optimizing the quality of their systems, offerings & products

Vision

Achieving a position of leadership and being respected for tirelessly collaborating and innovating to foster defect free, Business Ready systems

Living the Values

Customer Satisfaction: Earn the respect of customers by anticipating their current and future requirements and delivering value by exceeding expectations.

Enhancing Shareholder Value: Endeavour to get the best possible value for Shareholders by running our businesses profitably for a fair return.

People are our Assets: Be an Equal opportunity employer respecting individuals, treating everyone fairly, promoting diversity, fostering excellence, rewarding high performance and nurturing leadership.

Team Work: Our strength and competitive advantage are our teams. We encourage cooperative efforts and a sense of ownership at every level and across all activities in our company.

Innovation: We look for opportunities to innovate in everything we do, using new ways to connect the dots, whether in client's projects, business operations, support activities or community service.

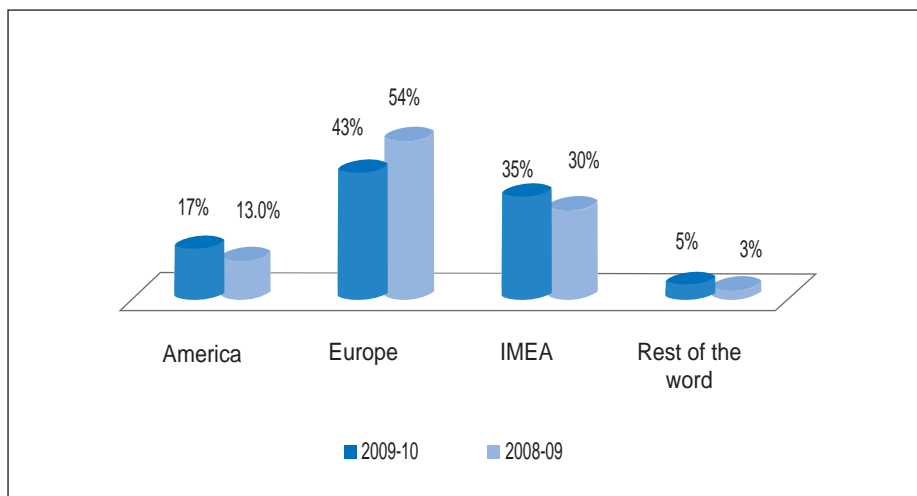
Integrity: Carry on our business with high standards of ethics, integrity and transparency in Governance, taking personal responsibility for our actions.

Corporate Social Responsibility: Recognize and be sensitive to our responsibilities towards our immediate and larger community. Contribute in the best possible manner to the preservation and sustainability of the environment through optimized use of energy and resources.

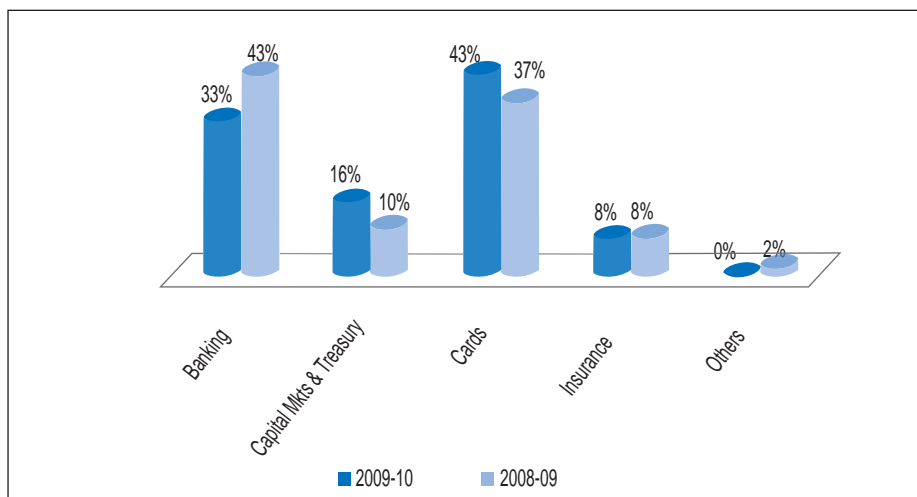


FINANCIAL INDICATORS

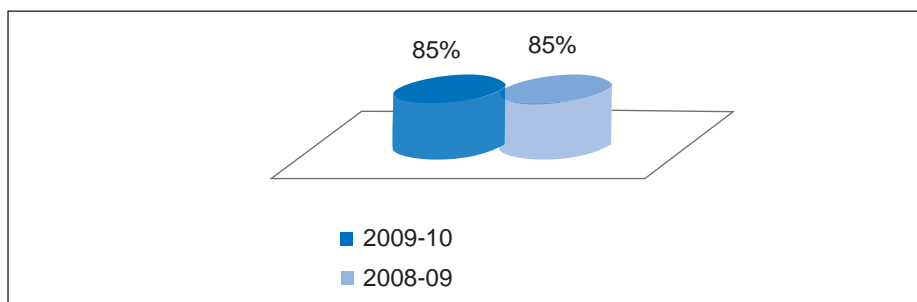
Distribution of Revenue by Geography:



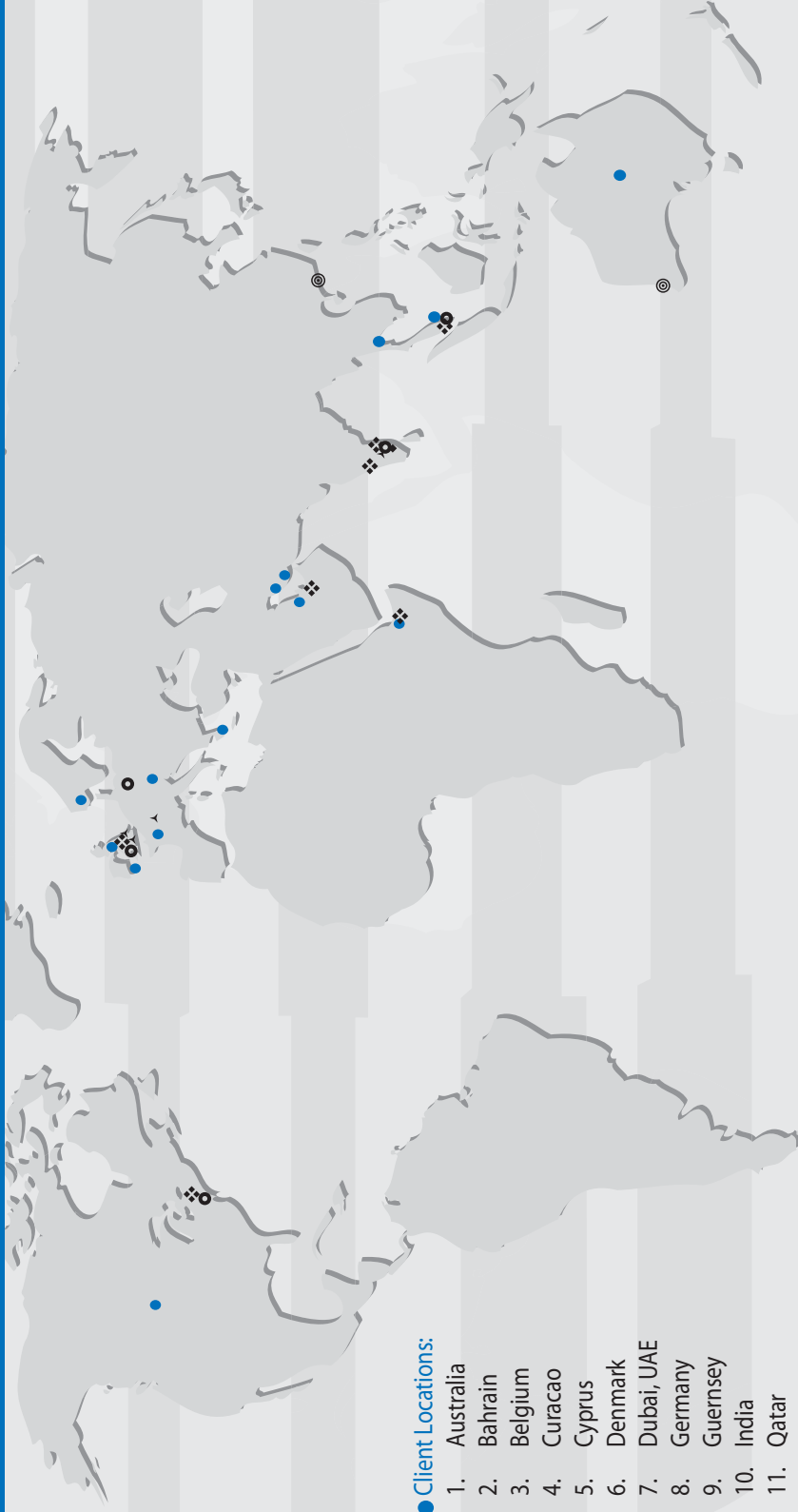
Distribution of Revenue by Practice



Repeat Business



GLOBAL FOOT PRINT INFRASTRUCTURE AND CLIENTS



● **Client Locations:**

1. Australia
2. Bahrain
3. Belgium
4. Curacao
5. Cyprus
6. Denmark
7. Dubai, UAE
8. Germany
9. Guernsey
10. India
11. Qatar
12. Singapore
13. Switzerland
14. Thailand
15. UK
16. US

◆ **Delivery Centers:**

- a. VSI - 1, Chennai, India
- b. Tidel Park, Chennai, India
- c. MEPZ-SEZ, Chennai, India
- d. VTP, Bangalore, India

▲ **Branches:**

1. Bangalore, India
2. London, UK
3. Belgium

◆ **Sales Offices:**

1. Bangalore, India
2. Mumbai, India
3. Dubai, UAE
4. London, UK
5. Singapore
6. New Jersey, US

◎ **Place of Establishment:**

1. Hongkong
2. Perth, Australia

● **Subsidiaries:**

1. Chennai, India
2. Singapore
3. New Jersey, US
4. Frankfurt, Germany

DIRECTORS' REPORT

Dear Members,

We have great pleasure in presenting this Report on the business and operations of the company for the year ended March 31, 2010.

A) Financial Highlights for the Year Ended 31st March 2010

(Rs. in Millions)	Consolidated		Stand alone	
	2009-10 Current Year	2008-09 Previous Year	2009-10 Current Year	2008-09 Previous Year
Export Revenues	782.92	889.14	699.88	857.81
Domestic Revenues	45.71	31.78	45.71	31.78
Total Revenue	828.63	920.92	745.59	889.59
Delivery expenses	507.04	565.48	464.82	539.60
Funds from Operations	321.59	355.44	280.77	349.99
Selling and Marketing expenses	111.95	91.75	92.41	89.81
General and Administrative expenses	115.79	122.97	100.83	120.17
Profit before Interest, Depreciation & Taxes	93.85	140.72	87.53	140.01
Less: Depreciation	12.78	15.85	12.78	15.85
Operating Profit Before Taxes	81.07	124.87	74.75	124.16
Other Income	9.57	35.74	9.57	30.27
Net profit before taxes	90.64	160.61	84.32	154.43
Provision for taxation	(12.42)	(15.36)	(8.42)	(15.28)
Provision for Fringe Benefit Tax	-	(3.17)	-	(3.17)
Deferred Tax	4.11	2.81	4.11	2.81
Net Profit after tax	82.33	144.89	80.01	138.79
Profit brought forward from previous year	350.76	216.05	318.78	190.17
Profit available for appropriation	433.09	360.94	398.79	328.96
Appropriations : Interim Dividend	10.05	-	10.05	-
Transfer to General Reserve	8.00	-	8.00	-
Proposed Final Dividend	-	8.70	-	8.70
Tax on Dividend	1.71	1.48	1.71	1.48
Profit carried to Balance sheet	413.33	350.76	379.03	318.78
EPS basic	8.83	17.62	8.58	16.88
EPS diluted	8.83	17.62	8.58	16.88

B) Business and Operations Review - Consolidated

- Total revenues went down, in Rupee terms by 10%, to INR 828.63 million this year, from INR 920.92 million last year (In US dollar terms this amounts to a decrease in revenues of 12%).
- Profit after tax at INR 82.33 million constituted 10% of revenues as against INR 144.89 million (15.7%) for the previous year. 'Exchange Loss' contributed to INR 36.49 million.
- Geographically, 43% of the revenues came from Europe (last year 54%), 35% from IMEA (last year 30%), 17% from America (last year 13%).and 5% from Rest of the World (last year 3%).
- The proportion of onsite to offshore revenues stood at 59% /41% compared to 63% / 37% last year. This is reflected in an decrease of 15% in onsite Revenue from INR 581 Million to INR 493 Million during the year.
- Delivery expenses maintained at more or less the same level of 61.2 % against 61.4% in last year. This is a result of a combination of higher proportion of revenues from onsite projects and also lower offshore utilization factors. The overall utilization increased to 71%, compared to 59% in the previous year.
- The Gross Profit (Funds from Operations) at INR 321.59 million worked out to 38.8% of total revenues (excluding other income) compared with 38.6% last year, while the PBITDA was at 11.33% as against 15.28% for the previous year. After Tax profits (including other income decreased to 10% (last year 15.73%).
- General and Admin. Expenses registered a decrease in absolute terms. It was INR 115.79 million and 13.97% as against INR 122.97 million and 13.35 % last year. This is attributable to continued rationalization of infrastructure, travel costs and general admin expenses.
- The company increased its investments in S&M activity, consequently, sales and marketing costs increased in absolute terms at INR 102.35 million and 12.35 % versus INR 74.99 million and 8.23 % recorded last year. Revenues from repeat business remained at 85% at the same level as of previous year
- Employee strength was 499 (**women 29%**) at the end of the year compared to 538 last fiscal. The attrition rate registered an increase of 17.9% for the year ended March 2010, compared to 14.9% during the previous year.

C) Capital Expenditure

The Company incurred, during the year, INR 4.01 million on technology infrastructure, INR 10.20 million on physical infrastructure, Nil addition on intangible assets. During the previous year the amounts were INR 5.16 million, INR 17.70 million, INR 1.55 million respectively.

D) Liquidity

The liquid assets at the end of the year stood at INR 673.26 million (as against INR 504.16 million last year) and all available surplus cash balances have been deposited with banks. Year end Account Receivables stood at INR 159 million (72 days sales).

E) Share Capital

During the year the Company went for an Initial Public Offer (IPO). The IPO was for a total of 36,46,000 equity shares - consisting of Fresh Issue of 13,50,000 equity shares and an Offer for Sale of 22,96,000 equity shares by Selling Shareholders viz., M/s Euro Indo Investments and Mr. Vinod Ganjoor.

As at the end of the financial year the Company's Equity Share Capital stands at INR 100.52 million, consisting of 1,00,51,581 fully paid up Equity Shares of INR 10 each.

F) Net Worth

The net worth of the Company rose to INR 692.68 million as at 31st March 2010 from INR 468.96 million at the end of the previous fiscal.

G) Dividend

The company has paid an Interim Dividend of Re.1.00 per equity share (10% on par value of Rs.10/- each) on the equity capital of the Company for the financial year 2009-10 (Previous Year final dividend of 10% was paid). This amounts to INR 11.76 Mn, including Dividend Tax. The Board has not recommended any final dividend for the year.

H) Subsidiaries, Branches, Places of Business

The Company has fully owned subsidiaries in USA, Singapore and Germany and Branches in UK and Belgium. In Australia and Hong Kong it has place of business.

The total investments, revenues and profits from these subsidiaries stood at total assets of INR 44.41 Million as at March 31, 2010 (previous year 42.10 Million), total revenues of INR 83.03 Million (Previous year 31.33 Million) and total net profit INR 2.33 Million (Previous year 6.10 Millions) for the year

The statement on the subsidiaries under Section 212 of the Companies Act, 1956 is enclosed, as Annexure 1.

The Company is in the process of incorporating a wholly owned subsidiary at Sharjah.

With a view to have an enhanced Corporate Image for the Company in UK and improved commitment to clients in this geography, the Company has opened a Wholly Owned Subsidiary at UK with effect from 01st April 2010. Ms. Vanaja Arvind, Executive Director has been appointed as the Director of the Company with an initial capital of GBP 2,50,000/-.

The Company's 100% Indian subsidiary, Thinksoft (India) Services Private Limited, has applied for members' voluntary winding-up and the liquidation is in process. However, there is no material impact on the realization value of the investments carried in the Balance Sheet.

The Company has taken on lease space at TIDEL Park, Chennai with a view to meet Customer requirements on norms concerning technology, security and other facilities which are required to meet international standards. The delivery centre has 250 seats.

During the year the Company has also taken space at Velankani Information Systems Pvt Ltd at Bangalore, which shall be a delivery centre with about 41 seats.

The company has also set up a Sales and Marketing Office at Stylus Serviced Offices, Logitech Park, Mumbai.

I) Tax Exempted Operations

The Company continues to be a 100% Export Oriented Unit ("EOU") registered with the Software Technology Parks of India ("STPI"). The Company enjoyed a tax holiday for its export earnings under Section 10A of the Income Tax Act, 1961 till the financial year 2009-10.

The Company's premises at TIDEL Park, Chennai and Velankani Information Systems Pvt Ltd at Bangalore have been registered as STPI Units to continue to avail Custom and Excise Tax benefits.

During the year company commenced the operation in The MEPZ centre in a small way with the existing infrastructure. The Income from MEPZ is eligible for Income Tax Benefits being a SEZ Unit. The MEPZ unit has the potential to house total of 278 seats.

J) Directors

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

K) Auditors

M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai retire as the Auditors of the Company at conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Audit Committee in their meeting held on 30th April 2010 has recommended the reappointment of M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai.

L) Conservation of Energy, Technology Absorption, Forex Earnings and Outgo

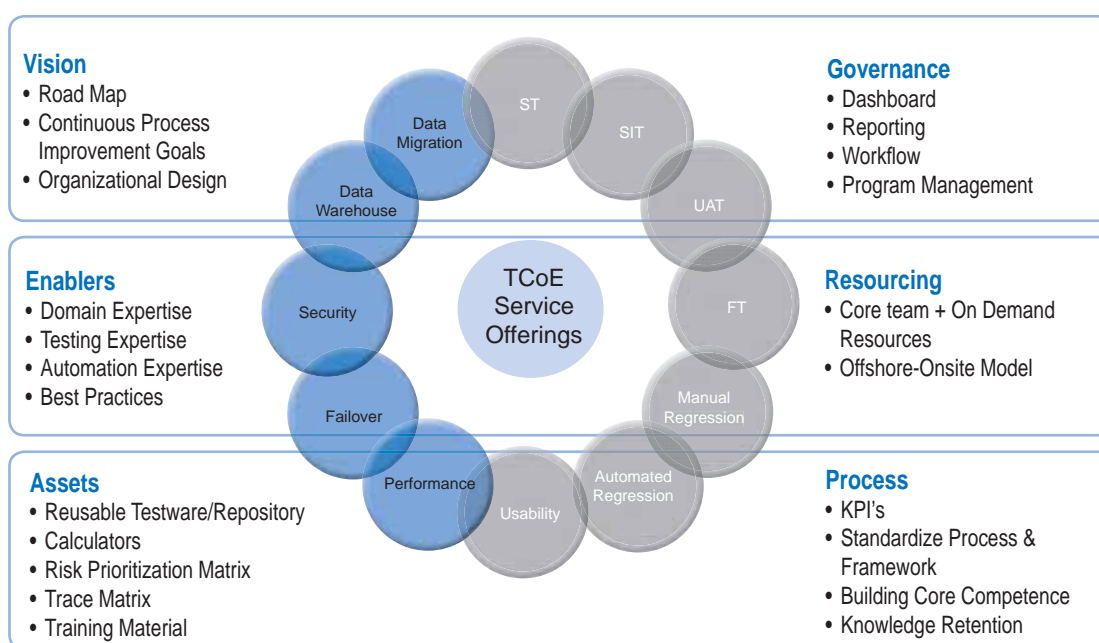
As required under Section 217(1) of the Companies Act, 1956, and Rules made therein, the particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 2, which is attached hereto and forms part of the Directors' Report.

M) Delivery Excellence

The Company successfully deploys the Global Delivery Model for its customer engagements. This is supported by the two main offshore delivery centers at Chennai and with onsite presence in customer locations abroad supplemented by our offices in London, Singapore, Frankfurt and New Jersey.

The offerings span is from Business Requirements Review through various life cycle testing activities to User acceptance testing and Performance testing. The end goal is for the Company to build and operate a “Testing Centre of Excellence” for its clients to manage both ‘upside’ and ‘downside’ risks for the customer. (See diagram):-

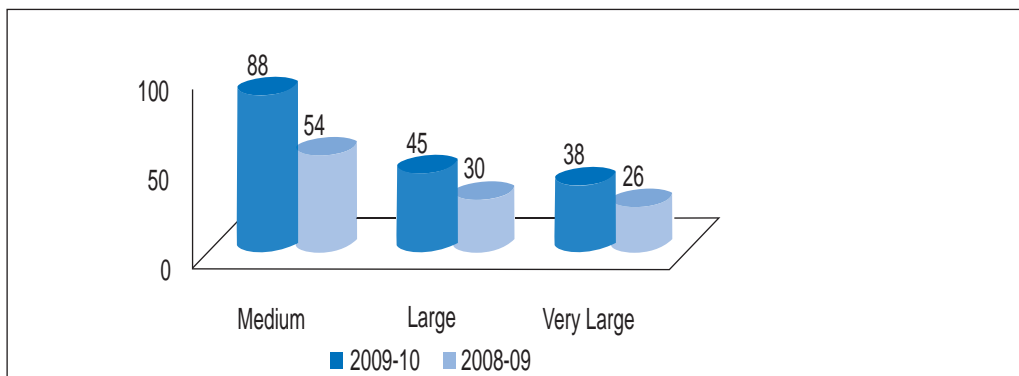
Testing Center of Excellence Eco System



The Company has been steadily building its Technical competency in non-functional Testing Practices to widen its scope of its offering to cover Performance, Security, Mobile Commerce Testing and Financial Sector Technologies (ATM, POS, etc.)

The Delivery organization handled projects involving about 970,000 person hours during the year bringing our cumulative testing track records to 9.27 Million person hours.

NO. OF PROJECTS EXECUTED



N) Particulars of Employees

The information required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, forms part of this report as Annexure 3. The Department of Company Affairs has amended the Companies (Particulars of Employees) Rules 1975 to the effect that particulars of employees engaged in Information technology sector posted and working outside India, not being directors or their relatives, drawing more than INR 24 Lakh per financial year or INR 2 Lakh per month, as the case may be, need not be included in the statement. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India.

O) Human Potential :

The fundamental credo of the company is “respect for merit” and it strives to inculcate this in relationships with employees and all other stakeholders. We are an equal opportunity employer and are sensitive to every employee’s right to be given a level playing field to rise to their full potential.

Through structured training programs the in-house training department has been constantly delivering both soft-skills, domain & information security training programs for the resources. For the first time, information security & domain training programs were delivered online and on successful completion of the course & quiz, an online certificate was issued. Over 45 training programs in Domain and Tools were conducted last year.

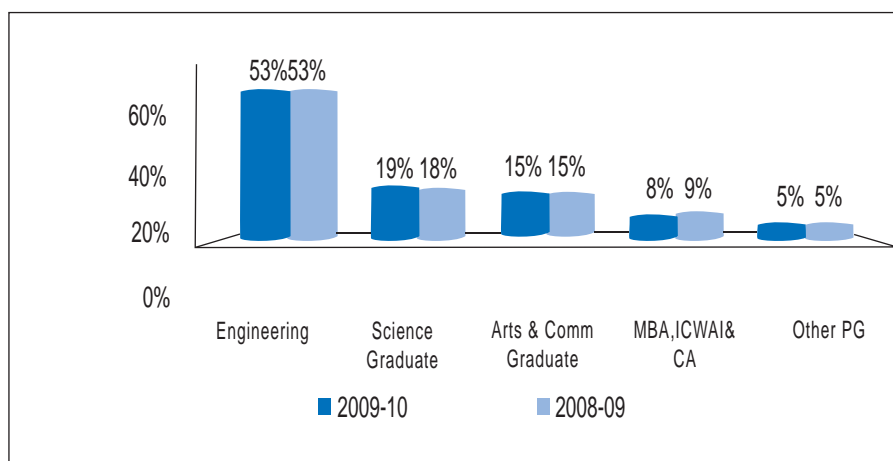
Domain experts in Banking and Credit card industry, conducted work-shops for the Delivery teams, sharing their practical knowledge and updating on the latest practices in the industry.

The key leaders in different functional groups were selected for a Business Leadership Training “Capstone” in IIM-Ahmedabad to enable the organization to groom the second level of operational leaders. Seniors regularly participate in various industry forums like Nasscom, Indo-American Chamber of Commerce, Indo-German Chamber of Commerce and SPIN for delivering talks on current industry trends and concerns.

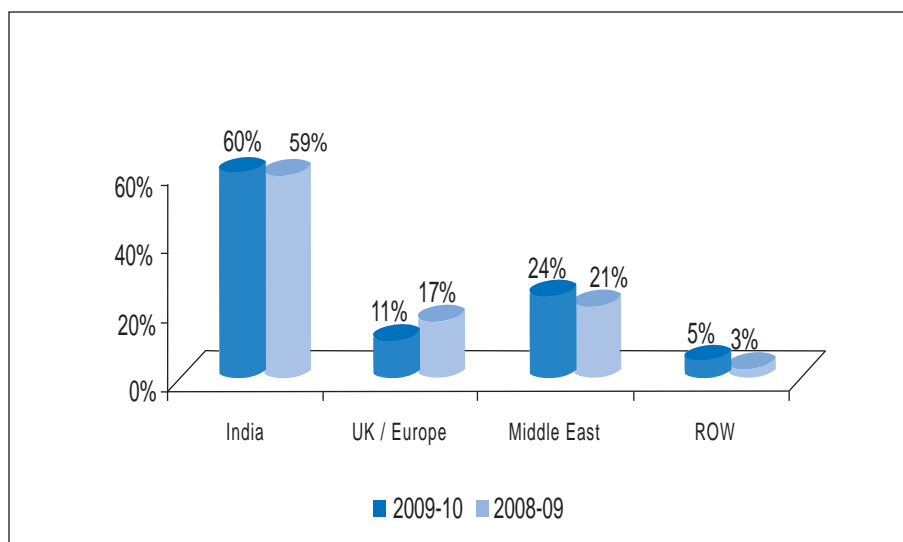
A Resource Management group is mandated with the task of optimizing the deployment of resources across practices and geographies. The table below shows the average distribution of resources by practice and regions for the year.

Practices	%	Regions	%
Banking	37	India-Chennai	60
Credit Cards	39	Middle-East	24
Capital Markets and Treasury	19	Europe	11
Insurance	5	Rest of the World	5
Total	100	Total	100

EDUCATION PROFILE OF EMPLOYEES



DISTRIBUTION OF EMPLOYEE BY GEOGRAPHY



P) Quality, Technology and Systems

The company was successfully recertified for its ISO 9001:2008 and ISO 27001:2005 certifications in Jan 2010 for a further three year cycle. All infrastructure and technology systems are geared to maintain Data Integrity, Confidentiality and Data Security encompassing both customer and in-house domains. This has also been successfully meeting Clients' Audit requirements. *In order to keep pace with the increasing demands of the financial industry, the roadmap for getting certified on PCI – DSS (Payment Card Industry Data Security Standards) and BITS – AUP standards (Banking Industry Technology for Shared assessments on Information Security for Outsourcing vendors) process has begun, with the identification of consulting partners and initiating those projects.*

Along with significant improvements brought in areas of physical security in the new premises at TIDEL Park, technological controls like Encryption, Wireless Intrusion Prevention etc., are being added. Redundancy and Resilience in internet connectivity has been achieved by implementing Border Gateway Protocol, meeting uptime of connectivity in all client networks. Initiatives towards virtualization of Servers and Desktops have been taken up for implementation during 2010-11.

A suite of Test Engineering Automation tools are being maintained and upgraded regularly and an active Process Group is in place to assist the delivery team to achieve operational excellence.

Q) Branding and Recognition

The company regularly participates in important trade shows and events of particular relevance to its business and had a presence in SIBOS (HongKong 2009) , MEFTEC (Bahrain 2009), European Banking Forum (Germany 2010) etc.

The company also presented the ‘Best use of Retail Banking technology –International’ at Financial Services Technology Awards 2010 in London during March 2010.

The company was also featured in reports by Outsourcing advisory firms such as Quantum Step, UK.

During the year the Company received Commendation certificate for ‘Commitment to Excel’ by the Confederation of Indian Industry. This was declared during the award distribution ceremony conducted in Delhi to honor the winners of CII-EXIM AWARD FOR BUSINESS EXCELLENCE, 2009 jointly instituted by Confederation of Indian Industry and Export-Import Bank of India.

R) Environmental awareness

The Company is keenly aware of the need to conserve resources, reduce its carbon footprint and create sustainable alternatives wherever feasible. Towards this end we endeavor to educate and motivate all stakeholders towards applying the REDUCE, RECYCLE, RE-USE, RE-ENGINEER approach.

Some of the measures taken by the company include - Consolidation of operations through reduction in the number of Data centers, replacement of flat monitors in the place of CRT monitors, reduced number of network devices for multiple clients, Optimization of storage devices.

The Company has also introduced various “go green” initiatives within its office buildings to reduce our electrical power, water and paper consumption like: switching off the air conditioners on a budgeted hours basis, converting over to CFL lightings, replacement of plastic/ paper cups,/plastic bottles with ceramic cups/ glass bottles, Rain water harvesting, use of organic pesticides and eco-friendly housekeeping consumables, storing scanned records in our servers to save paper and considerably save paper through reduced printing.

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

Installation of Video conferencing in our offices has brought down Travel Costs and, consequently, improved energy savings.

S) IPO

During the year the Company went for an Initial Public Offer (IPO). The IPO was for a total of 36,46,000 equity shares - consisting of Fresh Issue of 13,50,000 equity shares and an Offer for Sale of 22,96,000 equity shares by Selling Shareholders viz., M/s Euro Indo Investments and Mr. Vinod Ganjoor.

The Price Band was fixed at Rs.115 to Rs.125 per share. The Issue opened on 22nd September 2009 and closed on 01st October 2009. The Red Herring Prospectus was filed with ROC and SEBI on 07th September 2008.

The Issue Price was fixed at Rs.125/- per share and the Prospectus was approved by the Board of Directors on 06th October 2009. The Equity Shares issued under Initial Public Offer were allotted on 14th October 2009.

The Company's Equity Shares got successfully listed on 26th October 2009 in National Stock Exchange of India Ltd (NSE) which is the Designated Stock Exchange and Bombay Stock Exchange Limited (BSE).

The Company raised Rs.168.75 millions through IPO. Public Issue Expenses were Rs.15.60 millions, resulting in net proceeds of Rs. 153.15 millions.

T) Risk Management

The company's enterprise risk management approach consists of the following:

- Quarterly Internal Audit by an independent outside firm
- Regular process compliance audits for ISO 9001 and ISO 27001 standards conducted by external Auditor
- Periodic audits of compliance to other regulatory frameworks
- Annual Capital and Revenue Budget Planning followed by monthly reviews
- Annual Sales Planning with monthly monitoring
- Annual Perspective and Strategic planning exercise with yearly update
- Conservative approach to funds planning with zero debt and no forex hedging

U) Corporate Governance

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

V) Corporate Social Responsibility

- During the year contributed INR 0.30 Million to the 'Sadhya' Program of Vidhya Sagar's Spastics society, an NGO dedicated to the welfare and development of Spastics Children.
- As a part of Corporate Social Responsibility the company contributed towards Donation for Juvenile Diabetes Research Foundation, Australia a sum of A\$ 3000 (INR 0.13 Million) to Cure Diabetes
- The Company has also decided to set aside certain percentage of its profits towards contributions for such activities in the coming years.

W) Directors' Responsibility

Pursuant to Section 217(2AA) of the Companies Act, 2000, the Directors confirm that:

- (i) They accept responsibility for the integrity and objectivity of these accounting statements
- (ii) The financial statements are prepared in accordance with the guidelines and standards of the ICAI and Companies Act 1956, to the extent applicable. There are no material departures from the abovementioned standards.
- (iii) such standard accounting policies have been applied consistently, except as otherwise stated.
- (iv) the judgments and estimates have been made on a reasonable and prudent basis so that the financial statements provide a true and fair view of the state of affairs of the Company at the end of the financial year
- (v) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (vi) the Annual Accounts are prepared on a going concern basis and on an accrual basis

X) Acknowledgements

The Directors' wish to place on record their appreciation and thanks for the support given by their Customers, Vendors, Bankers and Government Agencies. In particular, the directors wish to acknowledge the continued the support from Messrs. Lakshmi Vilas Bank, Chennai and Messrs. ICICI Bank, Chennai, STPI - Chennai, and Messrs. MEPZ-, Tambaram, NSE, BSE, NSDL & CDSL. We also express our gratefulness to our employees who have played their parts with dedication and commitment.

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

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Place: Chennai

Date: April 30, 2010

ANNEXURE 1

STATEMENT OF SUBSIDIARIES UNDER SEC 212 OF THE COMPANIES ACT 1956.

Name of the Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	Thinksoft Global Services inc, USA	Thinksoft (India) Services Private Ltd, India	Thinksoft Global Services (Europe) GmbH, Germany
The Financial Year of the Subsidiary company ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Holding Company	Thinksoft Global Services Ltd	Thinksoft Global Services Ltd	Thinksoft Global Services Ltd	Thinksoft Global Services Ltd
Holding Company interest	100%	100%	100%	100%
Shares held by the Holding company in the Subsidiary	100,000 equity shares of S\$ 1/- each fully paid up	3,000 equity shares of \$ 0.01/- each fully paid up	10,000 equity shares of Rs. 10/- each fully paid up	Euro 50,000/-
Net aggregate amount of Profit of the subsidiary so far as it concerns the members of holding company and is not deal with in the Accounts of Holding Company				
a. for the financial year ended on March 31, 2010 (Rs. Mn)	(5.82)	6.54	(0.08)	1.62
b. for the previous financial years of the subsidiary since it became a Subsidiary (Rs. Mn)	30.00	1.42	1.29	(0.71)
Net aggregate amount of profit / (Losses) of the subsidiary so far as it concerns the members of holding company and is not deal with in the Accounts of Holding Company				
a. for the financial year ended on March 31, 2010 (Rs. Mn)	N.A	N.A	N.A	N.A
b. for the previous financial years of the subsidiary since it became a Subsidiary (Rs. Mn)	N.A	N.A	N.A	N.A

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

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Place: Chennai

Date : April 30, 2010

ANNEXURE 2

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

<p>A. Details of conservation of energy</p>	<p>The Company is keenly aware of the need to conserve resources, reduce its carbon emissions and create sustainable alternatives wherever feasible. Towards this end we endeavor to educate and motivate everyone towards applying the REDUCE, RECYCLE, RE-USE, RE-ENGINEER approach.</p> <p>Even though the operations do not warrant high energy consumption, the Company continuously takes measures to optimize energy usage, for example,</p> <p>a) Consolidation of operations through reduction in the number of Data centers. b) reduced number of network devices for multiple clients, c) replacement of flat monitors in the place of CRT monitors d) Optimization of storage devices switching over to CFL lightings, e) switching off the air conditioners on a budgeted hours basis.</p>
<p>B. Technology absorption</p> <p>1) Special Areas in which R & D carried out by the Company</p>	<p>The company has practiced and encouraged innovation in the areas of Domain based Repository creation, implemented Process Automation and has been continuously improving its methodologies and service offerings to differentiate in the market.</p>
<p>2) Benefits derived as a result of the above R & D</p>	<ul style="list-style-type: none"> • Improved throughput • Enhanced productivity • Greater accuracy • Increased Customer satisfaction • Higher Functional coverage • Effective resource utilization • More reliable planning and tracking • Sharpened competitive advantage in the market
<p>3) Future plan of action</p>	<p>The Company is in the process of preparing a road map for the creation of R and D division to create Intellectual Assets.</p>
<p>4) Expenditure on R & D</p>	<p>While the expenditure incurred on R and D was nil, however the company has spent approximately an amount of INR 2.83 Mn towards such innovation.</p>

C. Foreign Exchange earnings and outgo	
<p>1) Activities relating to export initiatives taken to increase exports developments of new markets for product and services and export plans.</p>	<p>In a move to leverage the growing demand for testing services, Thinksoft had adopted a slew of measures. The company participated in several events across the globe and in varying capacities; to enhance brand visibility, increase pipeline for the different practices. The participation included many domain-specific events viz., Cards, Banks and Payment Systems. These events were held in different regions like India, Singapore, Europe, Asia and United States. Some of the premier events that we took part in the last year include European Cards Acquiring event, European Banking Forum, Asian Financial Services Congress, CIO Financial services Forum and Banking Technology Conference 2010.</p> <p>As a branding exercise, the company also sponsored an award in the following category: “Best Use of IT in Retail Banking (International)” at an international event that witnessed the participation of top-notch BFSI institutions.</p> <p>Process and systems were in place and demonstrated consistent improvement as evident in the yearly audits conducted by Underwriter Laboratories for our certifications (ISO27001:2005 and ISO 9001:2008).</p>
<p>2) Total Foreign exchange used and earned FOB</p>	<p>(a) Total Foreign Exchange Earned INR 816.78 million.</p> <p>(b) Total Foreign Exchange used INR 266.35 million.</p>

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

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Place: Chennai

Date: April 30, 2010

ANNEXURE 3

STATEMENT OF PARTICULARS PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975							
Employed through out the year and in receipt of remuneration of not less than Rs. 24,00,000/- per annum.							
Sl. No	Name	Designation	Age	Gross Remuneration	Qualification	Experience (Years)	Date of Appointment
1	Asvini Kumar A V	Managing Director	57	6,800,000	B.Sc, PGDM (IIMB)	30	17-Dec-99
2	Vanaja Arvind	Executive Director	62	6,800,000	MS (Info. Sc), Pittsburg	26	1-Oct-01
3	Vaidyanathan N	Chief Financial Officer	57	3,331,532	B.Sc, FCA	34	1-Sep-05
4	Nandkishore D	Vice President - Marketing	37	3,071,914	BE, MBA	15	14-Feb-02
Employed for part of the year and in receipt of remuneration of not less than 2,00,000/- per month							
Sl. No	Name	Designation	Age	Gross Remuneration	Qualification	Experience (Years)	Date of Appointment
1	Kamal Kumar Bhagi	President–Delivery Services	50	1,815,159	BE	22	6-Aug-08

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

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Place: Chennai

Date: April 30, 2010

Management Discussion and Analysis

ODYSSEY - December 2009 edition - Reviews and Scenario building

The Thinksoft Business Leadership team held their annual planning meet ODYSSEY in December 2009 in Pondicherry. The purpose was to critically examine and re-validate the company's business model, conduct an assessment to double check if our business and operational plans were in tune with the market directions/realities and also to provide inputs for planning exercises. We noted that some of our earlier predictions on financial IT Services market trends had come true and that gives us more confidence in analyzing future trends. We had also forecasted a flat revenues for the company. This turned out to be the case, but there was a small dip in revenues and profits due to depreciating currencies in Europe, UK and US markets.

A snapshot of 2009-10

- We did not move away from our Quality focus, continued to deliver excellence with extremely satisfied clients. The rework costs we saved for them by our rigorous vigil on quality were well appreciated by all.
- We also added 18 new clients during this period. It is significant to note that we did not lose any client during this period though some of them remained dormant due to lack of budget.
- Due to downturn employee attrition was almost nil. Our utilization was low around 55-65% but the Odyssey team recommended that we should avoid penalizing the junior levels on bench and also volunteered to take a 10% reduction in their pay to manage the difficult year. Thinksoft's employee friendly value system stood out differently while most organisations were sending out bench teams in large numbers or creating a virtual bench with no pay. This was appreciated by all our employees.
- We consolidated our infrastructure requirement by surrendering couple of centers where our rental costs were higher to manage our costs for the downturn period.
- The Market downturn caused significant delays in closing orders resulting in serious challenges for UK, Europe revenue growth.
- There was a similar trend in US also but our existing clients continued to give us business and US registered flat revenues for the year.
- The thrust by GCC countries to upgrade their IT infrastructure and IT systems as forecasted by us resulted in good opportunities in that region, enabling good growth in that region.
- Consolidation of IT systems by global clients happened as predicted by us and helped us to engage in a couple of large opportunities with marquee clients during the year.
- India/APAC did not register any significant change and existing clients continued to give us business as usual

A peek through the looking glass

The Odyssey team, deliberated on a variety of scenarios and came up with the following set of observations to be taken into account while creating strategic and operating plans for the coming couple of years.

- There is a slow turnaround becoming visible in the mature outsourcing markets like US. Though clients have started talking about budgets, the decision making cycles are still very long and it is likely that 2010-11 will result in very low growth in existing business. Our focus in US for the coming year should definitely be on increasing the client base by adding new clients. Though incumbent vendors going all out to protect their turf and vendor consolidation will make this an uphill task, it is critical for further growth of Thinksoft hence all efforts need to be focused on this in 2010 to leverage services growth acceleration in US from 2011 onwards.
- The economic and business scenarios in Europe including UK are not very encouraging. Some of the countries are having serious internal problems which will affect the economy of this region and in turn will affect the business climate. As there are reduced opportunities, more players will contend for the same pie resulting in price wars and commoditizing of the services. Hence one needs to have a cautious approach in this region. It is imperative to protect the existing client base by value of our delivery and ensure minimum 5-10% growth comes from the existing clients by new offerings.
- We should continue to focus and manage growth in GCC countries where we grew well during downturn year. But this market is extremely price sensitive, crowded with players who operate on very low margins using RA Engagement models. A specialist player like Thinksoft with our strong domain based model will not be able to offer the same price point hence need to build significant value differentiation in this market to stand out on pure merit. Focus need to be on Brand building, Reuse, Test automation and more productivity improvements and innovative engagement models to deliver results.
- Asia Pacific Region including India are the emerging markets where there are mega plans and IT budgets that are visible. The deal sizes are also significantly larger as many of the organizations which had minimum computerization are moving in for large implementation of information systems. The pleasant trend is that many of them are looking at testing services as independent services and are floating separate request for such services. A recent RFP which we responded had mandated that the service provider should have minimum 50% of revenues from testing services. Such events certainly gladden the specialist's hearts as we have been working for more than a decade building up for such differentiation. But this market will be mostly prioritized by price, utilization of the internal teams for many projects, utilization of experts only for knowledge assets and tools. This will necessitate fine tuning of our offerings to suit this market in a cost effective manner.
- Though outsourcing and off-shoring is on the increase, having only India centric delivery centers appears to be high risk approach in the current global economic and political scenario
 - o The contention for skilled resources will be in the increase resulting in high attrition in 1-4 years experienced resources. In a specialist organisation the continuity and learning is most valued hence this would create a gap for the growth in the next 2-3 years.
 - o Most nations are battling with unemployment, would focus on creating a climate which facilitates more local jobs while enforcing barriers to bring in resources from outside to fill local needs.
 - o In terms of culture, language and knowledge levels, the local work force might be more successful in supporting the company in their countries.

New Initiatives

The company has also set in motion a few initiatives which would help towards creating a unique value proposition to clients in terms of our services and offerings:

1. To focus on the following areas and come up with comprehensive and best in class offerings for our target client base worldwide.
 - Fraud Control, Anti Money Laundering, Islamic Banking.
 - Data warehousing and Business analytics
 - Risk Management
2. Engage with high growth financial product companies leveraging the Saas model and co-create opportunities with them to support them in multi-country, multi client scenarios. Usage of test automation tools to reduce the cost of testing in such environment will certainly be seen as added value. Thinksoft is investing very seriously in this area to provide value through unique pricing models instead of the linear seats and head counts approach.
3. The increased need for Security **Testing and Security audits** will provide good cross selling opportunities of such offerings to our clients who already respect as quality service provider. Investment on this front will provide good dividends in the coming few years. Anticipating the need we have formed a panel of consultants who can spearhead this need and generate new business opportunities for our company.

In summary, though we do anticipate year 2010-11 to be a lukewarm year in terms of growth and profits, our plans, initiatives and strategies will accelerate growth taking advantage of the growing market for testing services to make Thinksoft a Significant player in this niche area in a few years.

ODYSSEY 2009 TEAM



Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, compliance with the requirements of Corporate Governance is set out below:

1. Company's philosophy on code of governance

The Company continues to emphasize on its philosophy of achieving corporate goals through good Corporate Governance practices. Its belief is that such a philosophy can enable the Company to serve its stakeholders –customers, vendors and shareholders-better, and enhance value through greater transparency, accountability and integrity. The Company has duly implemented all relevant provisions of the Corporate Governance Guidelines as suggested by SEBI and as applicable.

2. Board of Directors

The Board of Directors (“Board”) comprises 6 members of which 3 are Whole Time Directors, and three are Non-Executive Independent Directors.

The composition and the category of Directors are as under:

S. No.	Name of the Director	Designation	Category
1	Mr. A.V.As vini Kumar	Chairman and Managing Director	Executive
2	Ms. Vanaja Arvind	Executive Director	Executive
3	Mr. Mohan Parvatikar	Whole time Director	Executive
4	Mr. K.Kumar *	Director	Independent
5	Mr. C.N. Madhusudan	Director	Independent
6	Dr. S. Rajagopalan	Director	Independent

* Mr.K.Kumar being the Director retiring by rotation in the Twelfth Annual General Meeting is eligible for re-appointment and has offered for re-appointment.

None of the Directors hold Directorships in more than 15 companies.

Other Directorships

The number of directorships and Memberships in the committees held by the Directors as on March 31, 2010 are as under:

Name of the Director	No. of Other Directorships	Committee Membership	Committee Chairmanship
Mr. A.V.As vini Kumar	4	-	-
Ms. Vanaja Arvind	5	-	-
Mr. Mohan Parvatikar	2	-	-
Mr. K.Kumar	-	-	-
Mr. C. N. Madhusudan	1	-	-
Dr. S. Rajagopalan	3	-	-

Board Meetings held from 01st April 2009 to 31st March 2010

During the period from 01st April 2009 to 31st March 2010, Ten Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of the two meetings was not more than four months.

The dates on which the Board Meetings were held are:

23rd April 2009, 02nd July 2009, 23rd July 2009, 07th September 2009, 24th September 2009, 06th October 2009, 14th October 2009, 30th October 2009, 29th January 2010 and 26th March 2010.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board Meeting held during the period from 01st April 2009 to 31st March 2010 and the last Annual General Meeting (“AGM”) are given below:

Name of the Director	Board Meetings Attended	Attendance at last AGM held on 28th August 2009
Mr. A.V.Asvini Kumar	10	Yes
Ms. Vanaja Arvind	8	Yes
Mr. Mohan Parvatikar	10	Yes
Mr. K.Kumar	6	Yes
Mr. C. N. Madhusudan	4	No
Dr. S. Rajagopalan	8	Yes

Re-appointment of Directors

Brief resume of the Directors being re-appointed, nature of their expertise in specific functional areas and name of companies in which they hold directorship and the Membership of the committees of the Board are furnished hereunder:

Mr. K.Kumar is retiring by rotation and being eligible offers himself for re-appointment.

Brief Profile of Mr. K.Kumar is as follows.

Mr. K.Kumar holds a Bachelor’s degree in Electrical & Electronics Engineering (Madurai Kamaraj University) which he followed up earning both the PGDM and Fellowship (Doctoral level) qualifications from the Indian Institute of Management, Bangalore (IIM-B). In his current role as a Professor of Entrepreneurship and Chairperson of the NS Raghavan Centre for Entrepreneurial Learning (NSRCEL) at Indian Institute of Management Bangalore (IIM-B), he works closely with many start ups and growth seeking businesses. Kumar has over two decades of experience as a corporate manager, consultant, entrepreneur and academic. His corporate experience includes a Consulting role at TCS (1991-95) and as CEO (1995-2001) and President (2005-2006) of Trigent Software Ltd.

Mr. K.Kumar holds 1000 equity shares in the Company and is not related to any Director of the Company.

Mr. K.Kumar is not a Director and does hold any Membership of Committee of any other Company.

3. Board Committees

The Company has the following standing committees of the Board:

a) *Audit Committee*

Composition, Name of the members and Chairman

In compliance with Clause – 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board of Directors of the Company has constituted an Audit Committee comprising of the following Non-Executive Directors:

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

The Committee was constituted on 17th September 2008. The Statutory Auditors and Internal Auditors are invited to attend the Audit Committee meetings as and when necessary and the Company Secretary acts as the Secretary of the Committee.

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

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Review with management of the annual financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - any related party transactions as per Accounting Standard 18;
 - Compliance with stock exchange and legal requirements concerning financial statements (upon listing of shares);
 - Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.

- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights.
- Issue, and making appropriate recommendations to the Board to take up steps in the matter.

Attendance of the members at the Audit Committee meetings

During the period from 01st April 2009 to 31st March 2010, Four Audit Committee Meetings were held on 23rd April 2009, 02nd July 2009, 30th October 2009 and 29th January 2010.

Name of the Director	No. of Meetings Attended
Mr. K.Kumar	4
Dr. S.Rajagopalan	4
Mr. Mohan Parvatikar	4

b) Remuneration Committee

Remuneration Committee is not mandatory as per clause 49 of the Listing Agreement. The Committee was originally constituted on 17th September 2008 and was reconstituted by the Board of Directors at their meeting held on 23rd July 2009.

Composition, name of the members and Chairman

Name of the Director	Status
Mr. C. N. Madhusudan	Chairman
Mr. K.Kumar	Member
Dr. S. Rajagopalan ⁺	Member

⁺Dr. S.Rajagopalan was appointed as a Member of the Remuneration Committee with effect from 23rd July 2009, in the place of Mr.Mohan Parvatikar.

The broad terms of reference of the Committee are:

- To review the Company's remuneration policy on specific remuneration packages to executive directors including pension rights and any compensation payment while striking a balance with the interest of the Company and the shareholders.
- To approve the Annual Remuneration Plan of the Company

During the period from 01st April 2009 to 31st March 2010, 2 remuneration committee meetings were held on 13th July 2009 and 29th January 2010.

Name of the Director	No. of Meetings Attended
Mr.C.N.Madhusudan	2
Mr.K.Kumar	2
Dr.S.Rajagopalan	1
Mr.Mohan Parvatikar	1

The Remuneration Policy of the Company is to reward the Performance and Achievements of the employees by review at periodic intervals and are in consonance with the industry practice.

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

Details of remuneration paid to all the Directors

The remuneration paid to the Whole time Directors during the period from 01st April 2009 to 31st March 2010 are as follows:

Name of Director	Salary & Perquisites
Mr. A.V.Asvini Kumar, Managing Director	Rs. 38,50,000
Ms. Vanaja Arvind, Executive Director	Rs. 38,50,000
Mr. Mohan Parvatikar, Whole time Director**	Rs.12,00,000
Total	Rs.89,00,000

** This includes commission of Rs.6,00,000/- payable for the year 2009-10.

The Details of sitting fees paid to the Non-Executive Directors for attending Board Meetings and Committee Meetings held during the period from 01st April 2009 to 31st March 2010 are as follows :

Name of Director	Rs.
Mr. Mohan Parvatikar	Nil
Mr.K.Kumar	2,60,000
Mr.C.N.Madhusudan	1,20,000
Dr.S.Rajagopalan	2,80,000

Commissions paid to Non-Executive Directors are as follows:

Name of Director	Rs.
Mr. K.Kumar	Nil
Mr. C.N.Madhusudan	Nil
Dr. S.Rajagopalan	Nil

The Company does not have any Stock Option Plan or performance linked incentive for the Executive Directors. The appointments are made for a period of five years on the terms and conditions contained in the respective resolutions passed by the members in the General Meetings.

Shares held by Non-Executive Directors:

Name of the Non-Executive Director	No. of Equity Shares held in the Company
Mr.K.Kumar	1,000
Mr.C.N.Madhusudan	Nil
Dr. S.Rajagopalan	1,000

c) Shareholders' / Investors' Grievance Committee

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

Composition, name of the members and Chairman

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

The Committee has been formed to look into redressal of shareholders' / Investors' complaints relating to transfer of shares, non receipt of Balance Sheet, non receipt of dividend or any other matters, as also to approve requests requiring issue of new share certificates.

During the period from 01st April 2009 to 31st March 2010, 1 Shareholders' / Investors' Grievance Committee meeting was held on 02nd July 2009.

Name of the Director	No. of Meetings Attended
Dr. S.Rajagopalan	1
Mr.K.Kumar	1
Mr.Mohan Parvatikar	1

Name and designation of Compliance Officer:

Ms. S. Akila, Company Secretary
Email-id for Investor Grievances: investor@thinksoftglobal.com

Number of Shareholders complaints received so far:

During the year, the Company has received 43 complaints from the shareholders and no complaint was pending as on 31st March 2010.

4. GENERAL BODY MEETINGS:

The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year	Date	Venue	Time
2007-2008	28 th August, 2009	Registered Office	4.30 p.m.
2006-2007	22 nd July, 2008	Registered Office	10.30 a.m.
2005-2006	13 th August, 2007	Registered Office	10.00 a.m.

Special Resolutions passed during the previous three Annual General Meetings:

9th Annual General Meeting – 13th August 2007

Special Resolution was passed approving the payment of Commission for the year 2006-2007 to Mr. Mohan Parvatikar, Director.

10th Annual General Meeting – 22nd July 2008

No Special resolutions were passed

11th Annual General Meeting – 28th August 2009

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

All the Special Resolutions indicated above were passed by show of hands.

During the current year, approval for the proposed change in the utilization of IPO funds was placed to be passed as an Ordinary Resolution through Postal ballot.

The postal ballot notice was issued on March 26, 2010, pursuant to Section 192A(2) of the Companies Act, 1956, for passing the Resolution by postal ballot. The postal ballot were despatched to the Members on April 7, 2010.

Mr.V.Suresh, Company Secretary in practice, has been appointed as the scrutinizer to receive and scrutinize the completed ballot forms received from the Members and for conducting the Postal ballot process in a fair and transparent manner. The last day fixed for return of postal ballot Forms duly filled in by the Members is May 8, 2010. The result of the postal ballot shall be announced on May 14, 2010.

During the current year there are no other resolutions that are proposed to be passed through postal Ballot.

5. Disclosures

a) Related Party Transactions

Transactions with related parties are disclosed in detail in Note 15.3.15 of Schedule 15 annexed to the financial statements for the year. These transactions were not in conflict with the interest of the Company.

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

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

c) Whistle Blower Policy

Though the Company does not have Whistle Blower Policy, no person is denied access to the Audit Committee.

d) Mandatory and Non Mandatory Clauses

The Company has complied with all mandatory requirements laid down by the Clause 49, as applicable. The non-mandatory requirements complied with has been disclosed at the relevant places.

6. Means of communication to Shareholders

During the year, quarterly, half yearly and annual financial results on the standalone basis and consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these. The Financial Results are also published in 2 leading newspapers Financial Express (English) and Makkal Kural (Tamil). These were also promptly put on the Company's website www.thinksoftglobal.com. All official news release of relevance to the investors are also made available on the Company's website for a reasonable period of time.

7. General Shareholder information

a) 12th Annual General Meeting

Date and Time : Friday, September 3, 2010 at 3.30 p.m.

Venue : The Music Academy, Mini Hall, No.168, T.T.K. Road, Royapettah, Chennai-600014

b) Financial Calendar

Tentative Financial Calendar for the year 2010-11

Financial Year	01 st April to 31 st March
First Quarter Results	On or before 15 th August 2010
Half Yearly Results	On or before 15 th November 2010
Third Quarter Results	On or before 15 th February 2011
Fourth Quarter Results and Annual	On or before 31 st May 2011

c) Date of Book Closure

14th August 2010 to 21st August 2010 (Both days inclusive)

d) Dividend Payment Date

The Interim Dividend declared for the year 2009-10 was paid on 21st April 2010. The Company does not propose to declare any further Dividend for the year 2009-10.

e) *Listing of Stock Exchanges and Stock Code*

Name of Stock Exchange	Stock Code
The National Stock Exchange of India Ltd., Mumbai (NSE)	THINKSOFT
Bombay Stock Exchange Ltd., Mumbai (BSE)	533121

The Company has paid the annual listing fees for the year 2010-11 on both the of the above Stock Exchanges.

f) *Market Price Data*

The closing market price of equity shares on 31st March 2010 (last trading day of the year) was Rs.189.55/- on NSE and Rs.187.80/- on BSE.

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

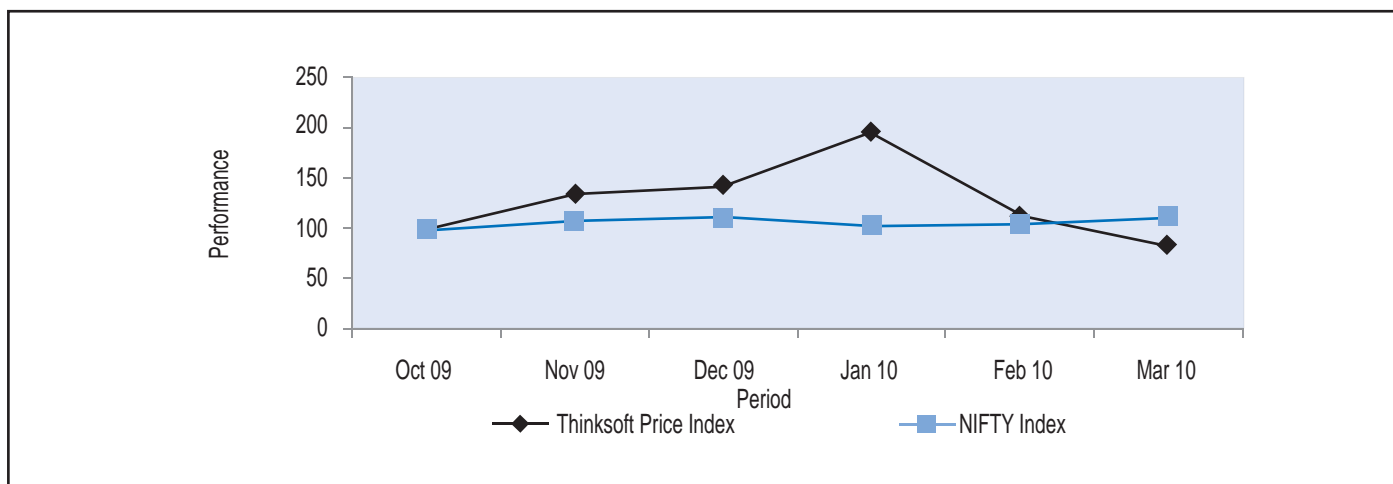
Monthly Share Price Movement during 2009-10 at NSE & BSE

The Shares of the Company got listed in the Stock Exchanges w.e.f. 26th October 2009.

Month	NSE			BSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Oct -09	231.50	126.00	8,39,76,512	231.40	100.00	5,48,39,761
Nov – 09	335.30	196.55	7,17,73,526	335.40	200.00	4,76,75,590
Dec - 09	338.90	238.30	4,97,42,038	339.40	239.10	3,00,88,628
Jan-10	490.70	321.05	5,31,24,181	491.00	321.05	3,45,47,528
Feb – 10	570.00	221.30	2,49,78,795	544.00	221.30	1,58,10,822
Mar-10	281.00	180.30	17,11,328	280.00	180.95	9,74,064
TOTAL			28,53,06,380			18,39,36,393

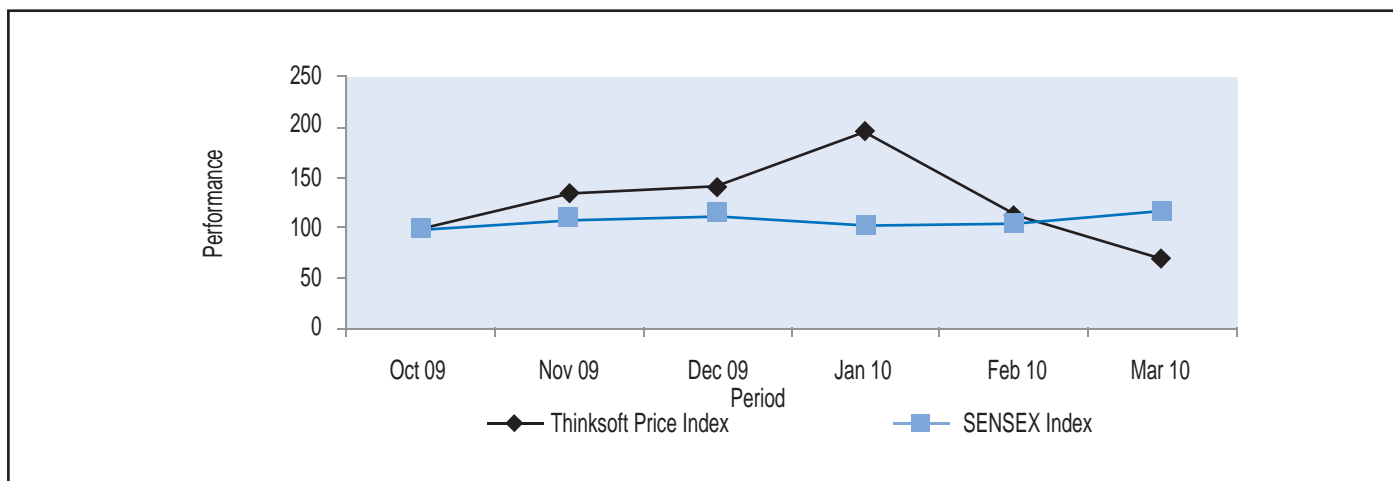
g) *The performance of the equity share price of the Company vis-à-vis the NIFTY at NSE and SENSEX at BSE is as under:*

Month	Thinksoft Share Price at NSE (Rs.)	NIFTY	Relative Index for comparison purpose	
			Thinksoft Price Index	NIFTY Index
Oct -09	226.75	4711.70	100.00	100.00
Nov-09	302.40	5032.70	133.36	106.81
Dec-09	324.35	5201.05	143.04	110.39
Jan-10	444.10	4882.05	195.85	103.62
Feb-10	255.95	4922.30	112.88	104.47
Mar-10	189.55	5249.10	83.59	111.41



Note: Share Price of Thinksoft and NSE NIFTY have been indexed to 100 on 30th Oct 2009

Month	Thinksoft Share Price at BSE	SENSEX	Relative Index for comparison purpose	
			Thinksoft Price Index	SENSEX Index
Oct -09	226.70	15896.28	100.00	100.00
Nov-09	302.25	16926.22	133.33	106.48
Dec-09	324.55	17464.81	143.16	109.87
Jan-10	443.50	16357.96	195.63	102.90
Feb-10	256.35	16429.55	113.08	103.35
Mar-10	187.80	17527.77	82.84	110.26



Note: Share Price of Thinksoft and BSE SENSEX have been indexed to 100 on 30th Oct 2009

h) Distribution of Shareholding as at 31st March 2010

By size of shareholding:

Number of Shares	No. of Shareholders	% of Shareholders	Shares held	Amount (Rs.)	% of Amount
1 - 5000	15,883	96.64%	972,497	9,724,970	9.68%
5001 - 10000	243	1.48%	183,169	1,831,690	1.82%
10001 - 20000	124	0.75%	175,251	1,752,510	1.74%
20001 - 30000	46	0.28%	110,415	1,104,150	1.10%
30001 - 40000	24	0.15%	83,568	835,680	0.83%
40001 - 50000	14	0.08%	64,360	643,600	0.64%
50001 - 100000	39	0.24%	283,024	2,830,240	2.82%
100001 & Above	62	0.38%	8,179,297	81,792,970	81.37%
Total	16,435	100%	10,051,581	100,515,810	100%

By category of shareholders:

Category	No. of Shares		Total Shares	% of holding
	Electronic	Physical		
A. Promoter Group				
Promoter and Promoter Group	392,700	4,958,036	5,350,736	53.23%
B. Non-Promoter Group				
Foreign Institutional Investors	327,524	0	327,524	3.26%
Bodies Corporate	1,771,730	0	1,771,730	17.63%
NRIs	27,071	284,848	311,919	3.10%
Clearing Members	88,109	0	88,109	0.88%
Foreign Companies	248,278	0	248,278	2.47%
Individuals	1,626,149	327,136	1,953,285	19.43%
Total	4,481,561	5,570,020	10,051,581	100.00%

i) Dematerialisation of Securities

As on March 31, 2010, over 44.60% shares of the company were held in de-materialised form. The demat security (ISIN) code for the equity share is INE201K01015.

j) Share Transfer System

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

k) Registrar and Transfer Agents

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

Name and Address of Registrar and Share Transfer Agent	Karvy Computershare Private Limited Cyber Villa, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, India
Tel no.	+91 40 23420815
Fax no.	+91 40 23431551
E-Mail ID	einward.ris@karvy.com
Website	www.kcpl.karvy.com

l) Outstanding GDRs/ADRs/Warrants/any other convertible instruments

The Company does not have any outstanding instruments of the captioned type.

m) Registered office:

Type II, Unit 5, Dr.VSI Estate, Thiruvanmiyur, Chennai – 600041

Telephone : +91 44 43923200

Fax : +91 44 43923258

Website : www.thinksoftglobal.com

Locations

The Company has 2 offices in Chennai, 2 offices in Bangalore and 1 office in Mumbai. The Company also has an office in UK, Belgium and Place of Establishments in Hong Kong and Australia. The addresses of these offices are available on our corporate website.

n) Address for Correspondence

Thinksoft Global Services Limited

Type II, unit 5, Dr.VSI Estate

Thiruvanmiyur, Chennai – 600041

Telephone : 91 044 43923200

Fax : 91 044 43923258

Website : www.thinksoftglobal.com

E-Mail : investor@thinksoftglobal.com

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF THINKSOFT GLOBAL SERVICES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Thinksoft Global Services Limited, for the year ended 31.03.10 as stipulated in clause 49 of Listing Agreement of the said company with the stock exchanges.

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

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

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the Company to Investor Grievance Committee, as on March 31, 2010, there were no investor grievance matters against the company remaining unattended/pending for more than 30 days.

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

For PKF Sridhar & Santhanam

V. Kothandaraman

Partner

Membership No.25973

Firm Registration No.: 003990S

Place: Chennai

Date : April 30, 2010

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

As provided under Clause-49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2010.

For Thinksoft Global Services Limited

A.V.Asvini Kumar
Managing Director

Place: Chennai

Date : April 30, 2010

CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

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

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2010 are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware of have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d.
 - i. There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii. There has not been significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

A. V. Asvini Kumar
Managing Director

N.Vaidyanathan
Chief Financial officer

Place: Chennai

Date: April 30, 2010

AUDITOR'S REPORT

To

The Members of THINKSOFT GLOBAL SERVICES LTD

1. We have audited the attached Balance Sheet of THINKSOFT GLOBAL SERVICES LTD, Type 2, Unit 5, Dr. Vikram Sarabhai Instronics Estate, Thiruvanniyur, Chennai – 600041 as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company, including for the branches for which also books are centrally maintained at the head office, so far as appears from our examination of the books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) We draw attention to Note No15.3.7 forming part of the financial statements regarding pending approval from Members and Central Government for remuneration to independent directors of Rs 6 lacs.
 - (vii) 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, 2010;
 - (b) In the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date

For PKF Sridhar & Santhanam
Chartered Accountants

V. Kothandaraman
Partner
Membership No.: 25973
Firm Registration No.: 003990S

Place: Chennai
Date: April 30, 2010

**ANNEXURE REFERRED TO IN PARAGRAPH '3' OF THE AUDITORS' REPORT TO THE
MEMBERS OF THINKSOFT GLOBAL SERVICES LTD ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2010**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of verifying fixed assets every year which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. All Fixed assets have been physically verified by the management along with Internal Auditors during the year. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) Having regard to the nature of the Company's business, clause (ii) of this order is not applicable
- (iii) (a) The company has not granted any loan to the parties covered under Section 301 register.
- (b) In the case of fully owned subsidiaries, expenses reimbursable accounts do not have any stipulation with regard to payment or other terms.
- (c) According to the information and explanations given to us, the Company has, during the year, not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and sale of services. On the basis of our examination and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements exceeding the value of five lakh rupees have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules made there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The Company is not required to maintain cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) a. According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, income tax, customs duty, service tax, cess and other material statutory dues applicable to it with the appropriate authorities Statutory dues in respect of sales tax, excise duty, investor education and protection fund and employees state insurance are not applicable to the company.

- b According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, income tax, service tax, customs duty and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- (x) The Company has no accumulated losses at the end of the year and has not incurred cash losses in the current year and the immediately preceding financial year.
- (xi) Based on our audit procedure and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund etc., are applicable, accordingly paragraph 4 (xiii) of the Order is not applicable.
- (xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, during the year, short-term funds have not been used to finance long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties covered under Section 301 register during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has raised money by way of public issue during the year and has disclosed the end use of the money raised by public issue vide Note No. 15.3.20 forming part of the financial statements and the same has been verified by us.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 31st March 2010.

For PKF Sridhar & Santhanam
Chartered Accountants

V. Kothandaraman
Partner
Membership No.: 25973
Firm Registration No.: 003990S

Place: Chennai
Date: April 30, 2010

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Balance Sheet as at March 31, 2010

(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	100,515,810	87,015,810
Reserves and surplus	2	557,861,110	349,962,506
		658,376,920	436,978,316
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	3	91,612,801	88,184,093
Less : Accumulated depreciation		58,717,115	56,663,454
Net block		32,895,686	31,520,639
Capital work in progress including capital advances		9,535,818	1,967,188
		42,431,504	33,487,827
Investments	4	10,098,197	10,098,197
Deferred Tax Asset (refer note no. 15.3.18)		10,339,412	6,227,107
Current Assets, Loans and Advances			
Sundry debtors	5	178,520,189	235,403,822
Cash and bank balances	6	456,394,166	211,196,546
Other current assets	7	8,607,401	1,151,248
Loans and advances	8	111,786,575	105,524,815
		755,308,331	553,276,431
Less : Current Liabilities and Provisions			
Current Liabilities	9	124,185,423	129,361,554
Provisions		35,615,101	36,749,692
Net current assets		595,507,807	387,165,185
		658,376,920	436,978,316

Notes to Accounts

15

The schedules referred to above and the notes on accounts form an integral part of the Balance Sheet

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Profit and Loss Account for the year ended March 31, 2010
(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Software Services	10	745,594,965	889,595,460
Other income	11	9,566,795	30,274,099
		755,161,760	919,869,559
EXPENDITURE			
Personnel expenses	12	438,329,798	496,846,433
Operating and other expenses	13	218,103,521	250,493,295
Financial expenses	14	1,635,728	2,244,619
Depreciation / amortization	3	12,775,473	15,850,576
		670,844,520	765,434,923
Profit before tax		84,317,240	154,434,636
Provision for tax			
- Current tax		17,560,740	27,706,503
- Fringe benefit tax		-	3,171,534
- Deferred Tax (refer note no. 15.3.18)		(4,112,305)	(2,819,730)
- Minimum Alternate Tax credit		(9,138,323)	(12,414,989)
Total Tax Expense		4,310,112	15,643,318
Profit after tax		80,007,128	138,791,318
Balance brought forward from previous year		318,782,530	190,171,676
Profit available for appropriation		398,789,658	328,962,994
Appropriations:			
Interim dividend		10,051,581	-
Final dividend		-	8,701,581
Tax on dividend		1,708,268	1,478,883
Transferred to General Reserve		8,000,000	-
Surplus carried to Balance Sheet		379,029,809	318,782,530
Notes to Accounts	15		
Earnings per share – (refer note.15.3.19)			
-Basic/Diluted		8.58	16.88

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
1. Share Capital		
Authorised	120,000,000	120,000,000
12,000,000 (Previous year 12,000,000) equity shares of Rs.10/- each		
Issued, Subscribed and Paid Up	100,515,810	87,015,810
10,051,581 (Previous year 8,701,581) equity shares of Rs.10/- each of the above, 6,893,720 equity shares have been issued during the year ended March 31st 2002 & 870,156 equity shares have been issued during the year ended March 31st 2009 as fully paid bonus shares by capitalization of securities premium and profits Of the above, 13,50,000 equity shares have been issued during the financial year 2009-10 through public issue.		
2. Reserves and surplus		
General Reserve		
Balance at the beginning of the year	22,071,695	21,296,695
Add: Additions during the year	8,000,000	-
Add : ESOP Options Lapsed		775,000
Balance at the end of the year	30,071,695	22,071,695
Securities Premium Account		-
Balance at the beginning of the year	9,108,281	9,197,276
Add: Premium received on shares allotted in the event period	155,250,000	8,612,565
Less: Utilised towards for IPO Expenses	(15,598,677)	-
Less:Utilised towards for issue of Bonus Shares	-	(8,701,560)
Balance at the end of the year	148,759,606	9,108,281
Balance in Profit and Loss Account	379,029,809	318,782,530
	557,861,110	349,962,506
3. Fixed assets		
Schedule 3 on fixed assets is set out on the following page.		
4. Investments Long Term		
Unquoted, non trade		
In wholly-owned Subsidiary Companies (fully paid up)		
10,000 equity shares (Previous year - 10,000) of Rs.10/- each in Thinksoft (India) Services Private Limited	100,000	100,000
100,000 equity shares (Previous year - 100,000) of S\$ 1/- each in Thinksoft Global Services Pte. Ltd., Singapore	2,658,023	2,658,023
3,000 equity shares (Previous year - 3,000) of \$0.01/- each in Thinksoft Global Services, Inc., USA	4,625,400	4,625,400
Euro 50,000/- (Previous year - Euro 50,000) in Thinksoft Global Services (Europe) GmbH	2,714,774	2,714,774
	10,098,197	10,098,197

Thinksoft Global Services Limited
Financial Statements for the Year Ended March 31, 2010

Schedules to the Financial Statements
(All amounts are in Indian rupees, unless otherwise stated)

3. Fixed Assets

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at April 1, 2009	Additions during the period	Deletions during the period	As at March 31, 2010	For the year	Deductions during the year	As at March 31, 2010	As at April 1, 2009
a. Tangible Assets								
Leasehold rights & Improvements	9,504,000	-	-	9,504,000	950,400	-	1,425,600	9,028,800
Buildings	7,421,627	-	-	7,421,627	376,235	-	561,267	7,236,595
Plant, machinery and equipment	2,988,215	3,415,729	534,028	5,869,916	923,291	534,028	2,916,761	460,717
Computer equipment	49,641,277	3,997,121	7,616,102	46,022,296	6,554,742	7,570,910	39,172,171	9,452,938
Furniture and fittings	320,806	3,838,501	91,018	4,068,289	547,076	91,018	730,495	46,368
Office equipment	5,538,436	1,750,868	960,376	6,328,928	1,007,053	960,374	4,412,313	1,172,802
Vehicles	2,531,333	1,070,090	847,742	2,753,681	327,676	847,742	1,366,707	644,560
Temporary partitions	993,855	123,404	679,239	438,020	123,404	679,239	438,020	-
b. Intangible Assets								
Computer Software	9,244,544	-	38,500	9,206,044	1,965,596	38,500	7,693,781	3,477,859
Total	88,184,093	14,195,713	10,767,005	91,612,801	12,775,473	10,721,811	58,717,115	31,520,639
Previous year ended 31.03.2009	83,711,108	24,425,474	19,952,489	88,184,093	15,850,576	19,524,371	56,663,454	23,373,859

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
5. Sundry debtors (Unsecured)		
Considered Good		
Debts outstanding for a period exceeding six months	-	8,539,542
Other debts	178,520,189	226,864,280
	178,520,189	235,403,822
Considered Doubtful		
Debts outstanding for a period exceeding six months	7,270,462	561,401
Other debts	-	10,694,832
	7,270,462	11,256,233
Less: provision for Doubtful Debts	(7,270,462)	(11,256,233)
	-	-
	178,520,189	235,403,822
Included in Sundry Debtors are:		
a) Dues from companies under the same management:		
Thinksoft Global Services Pte Ltd, Singapore	1,081,920	411,840
Thinksoft Global Services (Europe) GmbH	-	-
Thinksoft Global Services Inc., U.S.A.	26,817,710	458,550
Thinksoft (India) Services Private Ltd	-	-
*Maximum amount outstanding during the year		
Thinksoft Global Services Pte Ltd, Singapore	1,081,920	7,414,428
Thinksoft Global Services (Europe) GmbH	-	-
Thinksoft Global Services Inc., U.S.A.	26,817,710	5,555,440
Thinksoft (India) Services Private Limited	-	-
6. Cash and bank balances		
Cash on hand	49,903	57,655
Balances with banks		
in current accounts	22,931,459	8,467,122
in deposit accounts*	186,478,702	16,132,145
in current accounts in foreign currency	211,559,881	162,582,520
HDFC Bank - Unpaid Application money due for refund	195,375	-
Balances with non-scheduled banks :-		
in current account - ICICI Bank, London	6,653,011	7,960,245
in deposit account - ICICI Bank, London	13,606,000	7,286,000
in current account - Ing Bank, Belgium	14,919,835	8,710,859
*includes Rs.6,902,405/- lodged with banks towards Margin Deposit (Previous year Rs. 4,532,145)		
	456,394,166	211,196,546
Maximum balance held during the year in accounts with non-scheduled banks:-		
in current account - ICICI Bank, London	31,000,470	44,914,278
in deposit account - ICICI Bank, London	36,617,944	38,856,200
in current account - Ing Bank, Belgium	16,649,475	8,710,859
7. Other current assets (Unsecured and considered good)		
Unbilled revenue	5,260,223	715,106
Interest accrued on deposits & Loans	2,906,513	436,142
Other Current Assets	440,665	-
	8,607,401	1,151,248

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
8. Loans and advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	24,876,871	38,573,166
Prepaid expenses	6,011,540	3,507,173
Minimum Alternate Tax credit entitlement	28,398,035	19,259,712
Advance taxes	954,587	203,868
Deposits	39,267,538	24,565,563
Due from Subsidiaries	5,327,311	14,703,124
Input Tax credit	6,689,846	4,712,209
Other advances	260,847	-
	111,786,575	105,524,815
Included in Loans and Advances are:		
a) Dues from companies under the same management:		
Thinksoft Global Services Pte Ltd, Singapore	2,108,734	2,056,341
Thinksoft Global Services (Europe) GmbH	3,218,578	143,027
Thinksoft Global Services Inc, USA	26,817,710	12,503,756
Thinksoft (India) Services Private Ltd	-	-
*Maximum amount outstanding during the year		
Thinksoft Global Services Pte Ltd, Singapore	2,198,453	8,354,048
Thinksoft Global Services (Europe) GmbH	3,218,578	1,756,659
Thinksoft Global Services Inc, USA	26,817,709	20,024,114
Thinksoft (India) Services Private Limited	-	-
Virtus Advisory Services Pvt Ltd	-	-
9. Current Liabilities and Provisions		
Current liabilities		
Sundry creditors		
(i) Dues of Micro and Small Enterprises	-	10,171
(ii) Dues of Other Creditors	4,613,294	12,157,462
Advances received from customers	52,026	887,740
Unpaid Application money due for refund	195,375	-
Other liabilities		
provision for expenses	88,307,349	105,743,033
withholding and other taxes payable	7,989,911	10,257,169
others***	23,027,468	305,979
	124,185,423	129,361,554
Provisions		
Provision for taxation (net of advance tax payments)	8,373,705	12,009,859
Provision for gratuity	17,189,815	14,559,369
Provision for dividend	10,051,581	8,701,581
Provision for corporate tax on dividend	-	1,478,883
	35,615,101	36,749,692

*** includes amount due to Managing Director Rs. 68,218 (Previous year 181,673)

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	Year Ended March 31, 2010	Year Ended March 31, 2009
10. Software Services		
Within India	45,712,068	31,789,405
Rest of the World	699,882,897	859,509,405
Less: Sales discount	-	(1,703,350)
	745,594,965	889,595,460
11. Other income		
Interest received on deposits with banks**	4,449,613	2,371,740
Interest received from others**	569,100	543,310
Profit on sale of fixed assets	562,308	6,276,773
Provisions no longer required	3,985,774	-
Exchange gain (Net)	-	21,072,276
Miscellaneous income	-	10,000
	9,566,795	30,274,099
**Tax Deducted at Source -- Rs.268,489/- (Previous Year - Rs.238,877/-)		
12. Personnel expenses		
Salaries, Bonus and allowances	410,090,594	463,886,946
Contribution to provident and other funds	24,749,132	29,872,585
Staff welfare	3,490,072	3,086,902
	438,329,798	496,846,433
13. Operating and other expenses		
Software expenses	5,821,392	6,942,984
Consultancy charges	17,281,153	16,244,504
Travel expenses	73,637,759	111,791,055
Power and fuel	5,847,249	10,161,556
Rent	27,984,598	34,132,839
Insurance	2,984,977	3,307,308
Repairs & maintenance - buildings	2,204,423	8,686,124
- plant and machinery	2,596,837	3,582,142
- others	729,480	581,213
Communication expenses	7,613,505	7,496,361
Audit Fees *	805,300	616,299
Sales Commission (Other than sole selling agent)	8,986,175	9,811,603
Marketing and selling expenses	8,926,804	7,660,048
Cash Discount	719,255	-
Rates and taxes	823,235	1,095,573
Donation	488,970	310,000
Training and recruitment	1,620,950	1,067,187
Directors Sitting Fee	660,000	160,000
Professional fees	12,119,493	12,282,370
Exchange loss (Net)	33,350,955	-
Provision for Doubtful Debts	-	11,256,233
Miscellaneous expenses	2,901,011	3,307,896
* includes Tax audit Rs.100,000 (PY 100,000) Certification Rs.200,000 (PY 100,000) Other Services Rs.205,300 (PY 116,299)	218,103,521	250,493,295
14. Financial expenses		
Bank charges	1,635,728	2,244,619
	1,635,728	2,244,619

Thinksoft Global Services Limited
Financial Statements for the year ended March 31, 2010

Cash Flow Statement for the year ended March 31, 2010
(All amounts are in Indian rupees, unless otherwise stated)

	Year ended March 31, 2010	Year ended March 31, 2009
Cash flow from operating activities		
Net profit/(loss) before taxation	84,317,240	154,434,636
Adjustments for:		
Depreciation/amortization	12,775,474	15,850,576
Loss/(profit) on sale of fixed assets	(562,308)	(6,276,773)
Unrealised forex exchange loss/(gain), net	53,205,125	(33,686,409)
Interest income	(5,018,712)	(2,915,050)
Provision for bad and doubtful debts	(3,985,774)	11,256,233
Operating profit before working capital changes	140,731,044	138,663,213
(Increase)/Decrease in sundry debtors	36,395,557	(23,879,988)
(Increase)/Decrease in Deferred tax Asset	(4,112,305)	(2,819,730)
(Increase)/Decrease in loans and advances / other current assets	(15,557,889)	(28,995,764)
Increase/(Decrease) in current liabilities (Refer note c below)	(4,575,657)	26,742,523
Increase/(Decrease) in provisions	2,630,453	7,659,104
Cash generated from operations	155,511,203	117,369,358
Direct taxes paid (net of refunds)	(7,946,267)	(7,582,335)
Net cash from/(used in) operating activities	147,564,936	109,787,023
Cash flows from investing activities		
Purchase of fixed assets	(21,764,343)	(21,592,662)
Proceeds from sale of fixed assets	607,499	6,704,891
Interest received	2,548,342	2,661,555
Purchase of Investments	-	-
Fixed deposits matured/(invested) during the year	(17,569,903)	28,846,534
Net cash from/(used in) investing activities	(36,178,405)	16,620,318
Cash flows from financing activities		
Proceeds from Issue of Shares	153,151,324	5,262,285
Dividends paid	(8,701,581)	-
Tax on dividend paid	(3,187,151)	-
Net cash (used in)/from financing activities	141,262,592	5,262,285
Net increase in cash and cash equivalents	252,649,123	131,669,627
Cash and cash equivalents at the beginning of the year	195,064,401	54,463,145
Effect of changes in exchange rate on cash and cash equivalents	(25,021,402)	8,931,629
Cash and cash equivalents at the end of the year	422,692,122	195,064,401
Notes:		
a) The reconciliation to the cash and bank balances as given in the Balance Sheet is follows:		
Cash and bank balances, per Schedule 6	456,394,167	211,196,546
Less: Fixed Deposit With maturity over 90 days	(33,702,045)	(16,132,145)
Cash and cash equivalents, end of the year	422,692,122	195,064,401
b) Components of cash and cash equivalents		
cash on hand	49,904	57,655
Balances with Banks		
In current accounts	22,931,459	8,467,122
In deposit accounts	152,776,657	171,293,379
In current accounts in foreign currencies	211,559,881	-
HDFC Bank – Unpaid application money due for Refund	195,375	-
Balances with non-scheduled banks :-	6,653,012	7,960,245
In current account - ICICI Bank, London	13,606,000	7,286,000
In deposit account - ICICI Bank, London	14,919,835	-
In Current account - Ing Bank, Belgium	422,692,122	195,064,401
c) Adjustments for increase/decrease in current liabilities related to acquisition of fixed assets have been made to the extent identified.		

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

15. Notes to accounts

15.1 Background

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

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

15.2 Significant Accounting Policies:

a) Basis of preparation of financial statements

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

b) Use of estimates

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

c) Fixed assets and depreciation

Fixed assets

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

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Depreciation

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

Asset description	Percentage
Buildings	5%
Plant, machinery and equipment	33.33%
Computer equipment	33.33%
Intangible assets – Computer software	33.33%
Furniture and fittings	33.33%
Office equipment	33.33%
Vehicles	25.00%
Temporary partitions	100.00%
Leasehold rights & Improvements	Tenure of Lease period or 10 years whichever is less

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

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

d) Impairment

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

e) Revenue recognition

Software services income

Revenue from software testing on time-and-materials contracts is recognized based on software tested and billed to clients as per the terms of specific contracts. On fixed-price contracts, revenue is recognized on the proportionate completion method on the basis of the work completed. Revenue from software testing includes reimbursement of expenses billed as per the terms of contracts.

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Interest income

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

f) Retirement and other employee benefits (in accordance with AS-15)

- i. Retirement benefits in the form of Provident Fund / Social Security payments is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to the concerned authorities. The Company has no further obligations under the plan beyond its periodic contributions.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year under the Projected unit credit method. Actuarial Gains/Losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognized immediately in Profit & Loss Account as Income/Expense.
- iii. The Company does not allow leave encashment on retirement. However, appropriate provision based on estimates has been made for the accrued and unavailed leave entitlements which are short-term in nature.

g) Taxation

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

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

The Company is a 100% Export Oriented Unit (“EOU”) registered with the Software Technology Parks of India (“STPI”). The Company enjoys a tax holiday for its export earnings under Section 10A of the Income Tax Act, 1961 till the financial year 2009-10.

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

h) Earnings per share

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

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

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i) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

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

(iii) Exchange Differences

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

iv) Forward Contracts in foreign currency:

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

j) Provisions

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

k) Leases

Where the Company is the lessee

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

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l) Employee Stock Compensation Cost

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

m) Segment Information

Business Segments :

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

Geographical Segments :

The segmental information is provided on geographical basis classified as export and domestic.

n) Cash Flow Revenue:

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

o) Cash and Cash equivalents

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

15.3 OTHER NOTES

15.3.1 Winding up of the Indian Subsidiary

The company's 100% Indian subsidiary, Thinksoft (India) Services Private Limited, has applied for voluntary winding-up; However, there is no material impact on the realization of the investments carried in the Balance Sheet.

15.3.2 Secured loans

The Company has a cash credit facility with Lakshmi Vilas Bank, Chennai, which is secured by hypothecation of fixed assets, book debts of the Company both present and future and also by personal guarantee of two Directors of the Company. The Company has not utilized this facility either in the current year or in the previous year.

15.3.3 This Balance Sheet and Profit & Loss account include figures pertaining to Head office and Branches/Places of Business located at MEPZ (Madras Export Processing Zone, Chennai) India, United Kingdom, Australia, Belgium and Hong Kong.

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15.3.4 CIF value of imports

	Year Ended March 31, 2010	Year Ended March 31, 2009
Capital goods	1,432,533	1,362,721
	1,432,533	1,362,721

15.3.5 Earnings in foreign exchange (on accrual basis)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Income from software services	699,882,897	857,806,055
Interest income	183,414	1,127,366
	700,066,311	858,933,421

15.3.6 Expenditure in foreign currency (on cash basis)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Travel expenses	68,541,851	102,685,225
Marketing and selling expenses	8,152,177	7,675,436
Professional fees	13,211,646	7,784,475
Rent	3,647,818	2,502,458
Salary	146,514,606	168,338,809
Sales commission	12,382,021	7,057,888
Others	13,905,862	8,908,685
	266,355,981	304,952,976

15.3.7 Managerial Remuneration:

	Year Ended March 31, 2010	Year Ended March 31, 2009
(A) Director Sitting Fees	660,000	160,000
(B) Other Remuneration		
Salaries	8,300,000	12,000,000
Commission to Managing Director	-	2,950,000
Commission to Whole Time Director	600,000	2,950,000
Commission to Non Executive Director	-	1,630,000
Commission to Independent Director*	600,000	-
	9,500,000	19,530,000

* Approval of shareholders and necessary statutory approvals are yet to be taken

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Computation of net profit in accordance with Section 349 of the Companies Act, 1956, and calculation of commission payable :

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Net Profit after tax from ordinary activities	80,007,128	138,791,318
<u>Add:</u>		
Managerial Remuneration	8,300,000	12,000,000
Provision for commission to Whole time Directors	600,000	7,530,000
Provision for commission to Independent Directors	600,000	-
Provision for bad and doubtful debts	-	11,256,233
Depreciation as per books of accounts	12,775,473	15,850,576
Provision for Tax	4,310,112	15,643,318
	106,592,713	201,071,445
<u>LESS:</u>		
Depreciation as envisaged under section 350 of the Companies Act 1956	12,775,473	15,850,576
Profit on sale of Fixed Assets	562,308	6,276,773
Provision no longer required	3,985,774	-
	17,323,555	22,127,349
Net profit on which commission is payable	89,269,158	178,944,096
Maximum remuneration payable - 11%	9,819,607	19,683,851

15.3.8 Dues to Micro and Small enterprises

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

	2009-10	2008-09
Principal amount remaining unpaid to any supplier as at the period end	-	10,171
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-

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15.3.9 Employees' Stock Option Plan (ESOP)

The Company does not have any Employees' Stock Option Plan currently in operation. All the options under three ESOP in operation till last year were exercised/lapsed in the last year itself. Consequent to exercise/lapse of these options the amount of compensation cost of Rs. 58,12,500/- charged off to Profit and Loss account in the earlier years were transferred to Share Premium account (Rs.50,37,500/-) and General Reserve (Rs.7,75,000/-) in the previous year ended 31st March 2009.

15.3.10 Dividend remitted in foreign currencies

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

Final Dividend	31-Mar-10	31-Mar-09
Period to which it relates	2008-09	NIL
Number of nonresident share holders	4	NIL
Number of shares	2,835,959	NIL
Amount remitted	2,835,959	NIL

15.3.11 Commitments and contingencies:

Commitments and contingencies:	31-Mar-10	31-Mar-09
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9,269,128	1,409,147
Service tax related matters	7,218,676	7,218,676
Income tax related matters	-	-
Counter Guarantees issued to the Bank for the Bank Guarantees obtained	17,669,900	153,00,000

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

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15.2.12 Exposure in foreign currency

- (a) The company has not entered into any Foreign Currency or other derivative instruments during the year.
- (b) The details of foreign currency balances which are not hedged as at the balance sheet date are as follows:

	FCY	31-Mar-10		31-Mar-09	
		Amount in FCY	Amount in Rs.	Amount in FCY	Amount in Rs.
Sundry Debtors	GBP	472,912	32,172,203	863,876	62,942,005
Sundry Debtors	USD	1,824,257	82,346,961	2,153,290	109,710,126
Sundry Debtors	AED	443,823	5,441,270	2,192,215	31,151,375
Sundry Debtors	CHF	32,812	1,388,604	39,793	1,807,796
Sundry Debtors	Euro	145,608	8,818,020	202,072	13,635,819
Sundry Debtors	SGD	81,600	2,627,520	65,700	2,254,824
Sundry Debtors	AUD	868,797	35,968,196	257,084	9,167,615
Sundry Debtors	BHD	1,050	126,032	-	-
Loans and advances	USD	174,714	7,886,590	34,298	1,747,501
Loans and advances	Euro	38,744	2,346,337	8,985	606,323
Loans and advances	GBP	40,933	2,784,672	75,463	5,498,291
Loans and advances	AUD	100,133	4,145,506	3,250	115,902
Loans and advances	SGD	18,056	581,403	-	-
Loans and advances	AED	80,307	984,564	144,776	2,057,267
Sundry Creditors	GBP	7,346	499,748	5,779	421,067
Sundry Creditors	AUD	342	14,159	5,762	205,473
Sundry Creditors	USD	6,184	279,146	-	-
Sundry Creditors	Euro	3,124	189,189	5,090	343,448

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15.3.13 Leases (Rent)

Operating leases - Leasing arrangements in the capacity of a Lessee:

Particulars	31-Mar-10	31-Mar-09
Lease payments recognized in the profit and loss account for the year	27,984,598	34,132,839
Minimum Lease Payments		
Not later than one year	46,766,275	24,842,219
Later than 1 year but not later than 5 years	71,110,690	51,152,204
Later than 5 years	-	2,905,896
Total	117,787,965	78,900,319

15.3.14 Segment reporting

Segmental information

Sales Revenue by Geographical Market

	31-Mar-10	31-Mar-09
Within India	45,712,068	31,789,405
Outside India	699,882,897	857,806,055
Total	745,594,965	889,595,460

15.3.15 Related party disclosures (not disclosed elsewhere in these financial statements)

1. Subsidiaries

Thinksoft (India) Services Private Limited
 Thinksoft Global Services Pte Ltd, Singapore
 Thinksoft Global Services Inc, USA
 Thinksoft Global Services (Europe) GmbH, Germany

2. Key Management personnel

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

3. Relatives of Key Management personnel

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

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4. Companies in which Directors have significant influence

M/s Virtus Advisory Services Private Limited

Transactions and balances with related parties:

Particulars	Nature of Relationship	Name of the Related party	Year Ended 31-Mar-10	Year Ended 31-Mar-09
Income:				
Income from services rendered	Subsidiary	Thinksoft Global Services, Inc., USA	26,559,471	881,010
	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	1,137,534	1,312,160
Expenses:				
Managerial remuneration	Key Management Personnel	Mr. A. V. Asvini Kumar	3,850,000	8,950,000
		Ms. Vanaja Arvind	3,850,000	8,950,000
		Mr. Mohan Parvatikar	1,200,000	NIL
Rent	Key Management Personnel	Mr. A.V.Asvini Kumar	237,600	223,200
	Relative of Key Management Personnel	Mr. A K Krishna	180,000	180,000
	Relative of Key Management Personnel	Ms. A K Latha	180,000	180,000
Salary	Relative of Key Management Personnel	Ms. Aarti Arvind	23,23,009	1,060,302
Professional Services	Relative of Key Management Personnel	Mr. Chalapathi Rao Peddineni	NIL	902,500
	Relative of Key Management Personnel	Mr. C. V Rajan	15,000	NIL
Expenses for services rendered	Subsidiary	Thinksoft Global Services, Inc., USA	54,363,167	NIL
Proposed Final Dividend	Key Management Personnel	Mr. A. V. Asvini Kumar	NIL	3,642,777
	Key Management Personnel	Ms. Vanaja Arvind	NIL	1,050,662
	Key Management Personnel	Mr. Mohan Parvatikar	NIL	138,853
	Relative of Key Management Personnel	Ms. A K Latha	NIL	243,722
	Relative of Key Management Personnel	Ms. Lalitha Devi	NIL	11,389
	Relative of Key Management Personnel	Mr. A K Krishna	.NIL	227,778
	Relative of Key Management Personnel	Ms. Aarti Arvind	NIL	33,333
	Relative of Key Management Personnel	Mr. Chalapathi Rao Peddineni	NIL	11,111
	Relative of Key Management Personnel	Mr. C. V. Rajan	NIL	2,222
Sundry Debtors	Subsidiary	Thinksoft Global Services Pte Ltd	1,081,920	411,840
	Subsidiary	Thinksoft Global Services Inc., USA	26,817,710	458,550
Loans and advances	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	2,108,734	2,056,341
	Subsidiary	Thinksoft Global Services Inc., USA	NIL	12,503,756
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	3,218,578	143,027

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Particulars	Nature of Relationship	Name of the Related party	Year Ended 31-Mar-10	Year Ended 31-Mar-09
Sundry Creditors	Subsidiary	Thinksoft Global Services Inc, USA	22,959,247	NIL
Sundry Creditors	Key Management Personnel	Mr. A. V. Asvini Kumar	68,218	181,673
Provision for expenses	Key Management Personnel	Mr. A. V. Asvini Kumar	250,000	2,950,000
	Key Management Personnel	Ms. Vanaja Arvind	250,000	2,950,000
	Key Management Personnel	Mr. Mohan Parvatikar	700,000	1,630,000
Final Dividend Payable	Key Management Personnel	Mr. A. V. Asvini Kumar	NIL	3,642,777
	Key Management Personnel	Ms. Vanaja Arvind	NIL	1,050,662
	Key Management Personnel	Mr. Mohan Parvatikar	NIL	138,853
	Relative of Key Management Personnel	Ms. A K Latha	NIL	243,722
	Relative of Key Management Personnel	Ms. Lalitha Devi	NIL	11,389
	Relative of Key Management Personnel	Mr. A K Krishna	NIL	227,778
	Relative of Key Management Personnel	Ms. Aarti Arvind	NIL	33,333
	Relative of Key Management Personnel	Mr. Chalapathi Rao Peddineni	NIL	11,111
	Relative of Key Management Personnel	Mr. C. V. Rajan	NIL	2,222
Interim Dividend Payable	Key Management Personnel	Mr. A. V. Asvini Kumar	3,642,777	NIL
	Key Management Personnel	Ms. Vanaja Arvind	1,050,662	NIL
	Key Management Personnel	Mr. Mohan Parvatikar	138,853	NIL
	Relative of Key Management Personnel	Ms. A K Latha	243,722	NIL
	Relative of Key Management Personnel	Ms. Lalitha Devi	11,389	NIL
	Relative of Key Management Personnel	Mr. A K Krishna	227,778	NIL
	Relative of Key Management Personnel	Ms. Aarti Arvind	33,333	NIL
	Relative of Key Management Personnel	Mr. Chalapathi Rao Peddineni	11,111	NIL
	Relative of Key Management Personnel	Mr. C. V. Rajan	2,222	NIL
Investments	Subsidiary	Thinksoft (India) Services Private Limited	100,000	100,000
	Subsidiary	Thinksoft Global Service Pte Ltd, Singapore	2,658,023	2,658,023
	Subsidiary	Thinksoft Global Services Inc, USA	4,625,400	4,625,400
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	2,714,774	2,714,774

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15.3.16 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD – 15
(i) Short Term Plan – Compensated Absence

(Rs. in thousands)

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

	Current Year	Previous Year
Liability at the beginning of the year	7,523	6,211
Leave salary relating to opening year adjusted to general reserves directly	-	-
Leave salary cost accounted for the year	-	1,312
Total liability as at year end	7,523	7,523

(ii) Defined Contribution Plan – Provident Fund

(Rs. in thousands)

	Current Year	Previous Year
Employers contribution to Provident Fund Organization	12,785	13,100

(iii) Defined Benefit Plan – Gratuity

(Rs. in thousands)

(I)	Change in Benefit Obligation	Current Year	Previous Year
	Liability at the beginning of the year	16,187	8,397
	Interest Cost	1,267	635
	Current Service Cost	3,879	4,493
	Past Service Cost (Vested Benefit)	-	-
	Past Service Cost (Non Vested Benefit)	-	-
	Benefit Paid	(701)	(924)
	Actuarial (gain)/loss on obligations	(1,678)	3,586
	Liability at the end of the year	18,954	16,187

(Rs. in thousands)

(II)	Fair Value of Plan Assets	Current Year	Previous Year
	Fair Value of plan assets at the beginning of the year	1,628	1,635
	Expected Return on Plan Assets	109	94
	Contributions	-	-
	Benefit Paid	(701)	(924)
	Actuarial gain/(loss) on Plan Assets	730	823
	Fair Value of plan assets at the end of the year	1,766	1,628

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(Rs. In thousands)

(III)	Actual Return on Plan Assets	Current Year	Previous Year
	Expected Return on Plan Assets	109	94
	Actuarial gain/(loss) on Plan Assets	730	823
	Actual Return on Plan Assets	839	917

(Rs. In thousands)

(IV)	Amount Recognised in the balance Sheet	Current Year	Previous Year
	Present value of the obligation	18,954	16,187
	Fair Value of Plan Assets	1,766	1,628
	Difference (Funded Status)	17,188	14,559
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
	Amount Recognised in the Balance Sheet	17,188	14,559

(Rs. In thousands)

(V)	Expenses Recognised in the Income Statement	Current Year	Previous Year
	Current Service Cost	3,879	4,493
	Interest Cost	1,267	635
	Expected Return on Plan Assets	(109)	(94)
	Net Actuarial (Gain)/loss to be recognised	(2,408)	2,763
	Transitional Liability recognized		-
	Past service cost – non vested benefits		-
	Past Service Cost – vested benefits		-
	Expenses Recognised in P & L	2,629	7,797

(Rs. In thousands)

(VI)	Balance Sheet Reconciliation	Current Year	Previous Year
	Opening Net Liability as per books	14,559	6,762
	Transitional liability adjusted to opening reserves and deferred taxes	-	-
	Expense as above	2,629	7,797
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
	Contribution Paid	-	-
	Amount Recognised in Balance Sheet	17,188	14,559

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(VII)	Actuarial Assumptions : For the period/year	Current Year	Previous Year
	Discount Rate Current	8.00%	8.00%
	Expected Rate of Return on Plan Assets	8.00%	8.00%
	Salary Escalation Current	11.00%	10.00%
	Attrition rate	17.80%	10.00%

(VIII)	Investment details – as at period / year end	Current Year	Previous Year
	Funds Managed by Company	100%	100%

Actuarial Valuation:
a. Experience Adjustments

(Rs.in thousands)

Particulars	2009-10	2008-09	2007-08
Defined Benefit Obligation	18,954	16,187	11,187
Plan Assets	1,766	1,628	1,635
Surplus / (Deficit)	(17,188)	(14,559)	(9,552)
Exp. adj. on Plan Liabilities	(1,678)	3,586	173
Exp. adj. on Assets	730	823	65

b. Estimated contribution towards Gratuity for next year – Rs. 67 lakhs
15.3.17 Disclosure made in terms of clause 32 of the listing agreement with Stock exchange:

Particular	Name of the company	Amount outstanding as on 31.3.2010 Rs.	Maximum amount due at any one time during the year Rs.
A) Loans and advances Loans and advances in the nature of loans made to subsidiary company. Loans and advances in the nature of loans made to associate company Loans and advances in the nature of loans where there is. a) No repayments schedule or repayment beyond seven year(or) b) No Interest or interest below section 372A of the Companies Act, 1956. Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested.		NIL	

Thinksoft Global Services Limited

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

Particular	Name of the Company	Amount Rs.	Maximum amount of investments during the year Rs.
B) Investments by the company.			
I) In Subsidiary Company	Thinksoft (India) Services Private Limited	1,00,000	1,00,000
II) In Subsidiary Company	Thinksoft Global Service Pte Ltd, Singapore	2,658,023	2,658,023
III) In Subsidiary Company	Thinksoft Global Services Inc, USA	4,625,400	4,625,400
IV) In Subsidiary Company	Thinksoft Global Services (Europe) GmbH, Germany	2,714,774	2,714,774
(C) Investment by the loanee in the shares of the parent company and subsidiary company when the company has made a loan or advance in the nature of loan			
		NIL	

15.3.18 Deferred Tax

The breakup of net deferred tax asset is as under:

Deferred tax assets arising on timing differences on account of:

	Current Year	Previous Year
Net Deferred Tax Asset as at beginning of the year	6,227,107	3,407,377
Deferred Tax on opening reserve adjustment on gratuity liability (AS 15 revised)	-	-
Deferred Tax credit to the CY P&L	41,12,305	2,819,730
Net Deferred Tax Asset as at year end, made up of:	10,339,412	6,227,107
- On account of timing difference in claiming Depreciation allowance	2,025,364	1,278,377
- On account of timing difference in claiming provision for Gratuity and Doubtful Debts	8,314,048	4,948,730

15.3.19 Earnings Per Share:

	31-Mar-10	31-Mar-09
Net Profit after tax	80,007,128	138,791,318
Weighted average number of equity shares @ Rs 10/- each outstanding	9,320,534	8,223,255
Basic earnings per share (in Rupees)	8.58	16.88
Potential equity shares	-	-
Weighted average number of shares used as denominator for Diluted earnings per share	9,320,534	8,223,255
Diluted earnings per share (in Rupees)	8.58	16.88

Thinksoft Global Services Limited

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

15.3.20 Utilisation of IPO proceeds:

Particulars	Estimate as per Prospectus (excluding Contingencies) Rs. In lacs	Actual amount (Expended/ Invested) Rs. In lacs
Setting up a new testing centre MEPZ - SEZ Tambaram, Chennai.	1,609.34	15.17
Public Issue Expenses	165.50	155.99
Net Amount available in Fixed Deposit	-	1,531.51

The Board of Directors in their meeting on 26th March 2010 have approved the changes in the utilisation of IPO proceeds and have sought Shareholders approval through Postal ballot for the proposed changes in utilisation of IPO proceeds. The results of Postal Ballot will be announced on 14th May 2010. On approval of the Shareholders, the new proposal will be implemented.

15.3.21 Prior period comparatives

Prior year figures have been reclassified / regrouped wherever necessary to conform to the current period's classification.

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited

Balance Sheet abstract and company's general profile

I. Registration details

Registration No.	66604	State Code	18
Balance Sheet	March 31, 2010	CIN	U64202TN1998PLC066604

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

Public issue	13,500	Rights issue	-
Bonus Issue	-	Private placement	-

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

Total liabilities	658,377	Total assets	658,377
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Source of Funds

Paid up capital	100,516	Reserves & surplus	557,861
Secured loans	-	Unsecured loans	-
Deferred tax liability	-		

Application of funds

Net fixed assets	42,432	Investments	10,098
Deferred tax asset	10,339	Misc. Expenditure	-
Net current assets	595,508		
Accumulated Losses	-		

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

Total turnover	755,162	Total expenditure	670,845
Profit/(loss) before tax	84,317	Profit/(loss) after tax	80,007
Earnings per share in Rs.	8.58	Divident rate	10.00%

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

Item code number	NA
Product description	Software testing services

For and on behalf of the Board of Directors

A.V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S. Akila
Company Secretary

Place : Chennai

Date : April 30, 2010

AUDITOR'S REPORT

To

The Board of Directors of THINKSOFT GLOBAL SERVICES LTD

We have audited the attached consolidated Balance Sheet of THINKSOFT GLOBAL SERVICES LTD ('the Company') and its subsidiaries (collectively called 'the Thinksoft Group') as at March 31, 2010, the consolidated Profit and Loss account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 444.05 Lacs as at March 31, 2010, total revenues of Rs. 888.10 Lacs and total net cash inflows of Rs 48.46 Lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the report of the other auditors.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, as mandated by Companies (Accounting Standards) Rules 2006 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Thinksoft Global Services Limited and its subsidiaries.
4. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements, of Thinksoft Global Services Limited and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Thinksoft Group as at March 31, 2010;
 - (ii) in the case of consolidated Profit and Loss Account, of the profit of the Thinksoft Group for the year ended on that date; and
 - (iii) in the case of consolidated Cash Flow Statement, of the cash flows of the Thinksoft Group for the year ended on that date.

For PKF Sridhar & Santhanam
Chartered Accountants

V. Kothandaraman
Partner
Membership No.: 25973
Firm Registration No.: 003990S

Place: Chennai
Date: April 30, 2010

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Balance Sheet as at March 31, 2010

(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	100,515,810	87,015,810
Reserves and surplus	2	592,167,507	381,941,887
		692,683,317	468,957,697
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	3	91,625,647	88,184,093
Less : Accumulated depreciation		58,721,175	56,663,454
Net block		32,904,472	31,520,639
Capital work in progress including capital advances		9,535,818	1,967,188
		42,440,290	33,487,827
Deferred Tax Asset (refer note no. 14.3.10)		10,339,412	6,227,107
Current Assets, Loans and Advances			
Sundry debtors	4	159,309,319	238,568,979
Cash and bank balances	5	513,954,427	265,596,811
Other current assets	6	8,166,736	2,036,704
Loans and advances	7	107,744,554	94,133,961
		789,175,036	600,336,455
Less : Current Liabilities and Provisions			
Current Liabilities	8	109,537,755	134,229,168
Provisions		39,733,666	36,864,524
Net current assets		639,903,615	429,242,763
		692,683,317	468,957,697
Notes to Accounts	14		

The schedules referred to above and the notes on accounts form an integral part of the Balance Sheet

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Profit and Loss Account for the year ended March 31, 2010
(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Software Services	9	828,629,084	920,921,452
Other income	10	9,566,794	35,738,801
		838,195,878	956,660,253
EXPENDITURE			
Personnel expenses	11	489,891,647	515,581,470
Operating and other expenses	12	243,217,265	262,351,828
Financial expenses	13	1,662,975	2,260,617
Depreciation / amortization	3	12,779,534	15,850,576
		747,551,421	796,044,491
Profit before tax		90,644,457	160,615,762
Provision for tax			
- Current tax		21,560,940	27,787,189
- Fringe benefit tax		-	3,171,534
- Deferred Tax (refer note no. 14.3.10)		(4,112,305)	(2,819,730)
- Minimum Alternate Tax credit		(9,138,323)	(12,414,989)
Total Tax Expense		8,310,312	15,724,004
Profit after tax		82,334,145	144,891,758
Balance brought forward from previous year		350,761,911	216,050,617
Profit available for appropriation		433,096,056	360,942,375
Appropriations:			
Interim dividend		10,051,581	-
Final dividend		-	8,701,581
Tax on dividend		1,708,268	1,478,883
Transferred to General Reserve		8,000,000	-
Surplus carried to Balance Sheet		413,336,207	350,761,911
Notes to Accounts	14		
Earnings Per Share – (refer note.14.3.11)			
-Basic/Diluted		8.83	17.62

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Schedules to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
1. Share capital		
Authorised	120,000,000	120,000,000
12,000,000 (Previous year 12,000,000) equity shares of Rs.10/- each		
Issued, Subscribed and Paid Up	100,515,810	87,015,810
10,051,581 (Previous year 8,701,581) equity shares of Rs.10/- each of the above, 6,893,720 equity shares have been issued during the year ended March 31st 2002 & 870,156 equity shares have been issued during the year ended March 31st 2009 as fully paid bonus shares by capitalization of securities premium and profits of the above, 13,50,000 equity shares have been issued during the financial year 2009-10 through public issue.		
2. Reserves and surplus		
General Reserve		
Balance at the beginning of the year	22,071,695	21,296,695
Add: Additions during the year	8,000,000	-
Add : ESOP Options Lapsed	-	775,000
Balance at the end of the year	30,071,695	22,071,695
Securities Premium Account		
Balance at the beginning of the year	9,108,281	9,197,276
Add: Premium received on shares allotted in the event period	155,250,000	8,612,565
Less: Utilised towards for IPO Expenses	(15,598,676)	-
Less: Utilised towards for issue of Bonus Shares	-	(8,701,560)
Balance at the end of the year	148,759,605	9,108,281
Balance in Profit and Loss Account	413,336,207	350,761,911
	592,167,507	381,941,887
3. Fixed assets		
Schedule 3 on fixed assets is set out on the following page.		
4. Sundry debtors (Unsecured)		
Considered Good		
Debts outstanding for a period exceeding six months	-	9,171,167
Other debts	159,309,319	229,397,812
	159,309,319	238,568,979
Considered Doubtful		
Debts outstanding for a period exceeding six months	7,270,462	561,401
Other debts	-	10,694,832
	7,270,462	11,256,233
Less: Provision for Doubtful Debts	(7,270,462)	(11,256,233)
	-	-
	159,309,319	238,568,979

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Schedules to the Consolidated Financial Statements
(All amounts are in Indian rupees, unless otherwise stated)

3. Fixed Assets

Description	Gross Block			Depreciation / Amortization			Net Block		
	As at April 1, 2009	Additions during the period	Deletions during the period	As at March 31, 2010	As at April 1, 2009	For the year	Deductions during the year	As at March 31, 2010	As at April 1, 2009
a. Tangible Assets									
Leasehold rights & Improvements	9,504,000	-	-	9,504,000	475,200	950,400	-	1,425,600	9,028,800
Buildings	7,421,627	-	-	7,421,627	185,032	376,235	-	6,860,360	7,236,595
Plant, machinery and equipment	2,988,215	2,719,647	534,028	5,173,834	2,527,498	923,291	534,028	2,916,761	460,717
Computer equipment	49,641,277	4,010,746	7,616,881	46,035,142	40,188,339	6,558,805	7,570,911	39,176,233	9,452,938
Furniture and fittings	320,806	4,534,583	91,018	4,764,371	274,438	547,076	91,018	730,496	46,368
Office equipment	5,538,436	1,750,868	960,376	6,328,928	4,365,634	1,007,053	960,374	4,412,313	1,172,802
Vehicles	2,531,333	1,070,090	847,742	2,753,681	1,886,773	327,674	847,742	1,386,705	644,560
Temporary partitions	993,855	123,404	679,239	438,020	993,855	123,404	679,239	438,020	-
b. Intangible Assets									
Computer Software	9,244,544	-	38,500	9,206,044	5,766,685	1,965,596	38,500	1,512,263	3,477,859
Total	88,184,093	14,209,338	10,767,784	91,625,647	56,663,454	12,779,534	10,721,812	58,721,175	31,520,639
Previous year ended 31.03.2009	83,711,108	24,425,474	19,952,489	88,184,093	60,337,249	15,850,576	19,524,371	56,663,454	23,373,859

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Schedules to the Consolidated Financial Statements
(All amounts are in Indian rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
5. Cash and bank balances		
Cash on hand	50,276	92,347
Balances with Scheduled banks		
in current accounts	23,913,437	9,534,358
in deposit accounts	186,478,702	16,132,145
in current accounts in foreign currency	211,559,881	162,582,520
HDFC Bank - Unpaid application Money due for Refund	195,375	-
Balances with non-scheduled banks :-		
in current account - ICICI Bank, London	6,653,012	7,960,245
in deposit account - ICICI Bank, London	13,606,000	7,286,000
in current account - Ing Bank, Belgium	14,919,835	8,710,859
in current account - HSBC, USA	17,712,314	18,141,818
in current account - OCBC Singapore	31,240,941	34,005,289
in current account - Dresdner, Germany	7,624,654	1,151,230
	513,954,427	265,596,811
Maximum balance held during the year in accounts with non-scheduled banks:-		
in current account - ICICI Bank, London	31,000,470	44,914,278
in deposit account - ICICI Bank, London	36,617,944	38,856,200
in current account - Ing Bank, Belgium	16,649,475	8,710,859
in current account - HSBC, USA	20,075,354	30,164,484
in current account - OCBC, Singapore	32,756,982	50,497,369
in current account - Dresdner, Germany	8,421,675	2,310,309
6. Other current assets (Unsecured and considered good)		
Unbilled revenue	5,260,223	1,600,562
Interest accrued on deposits & Loans	2,906,513	436,142
	8,166,736	2,036,704
7. Loans and advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	25,350,540	39,146,672
Prepaid expenses	6,142,310	3,708,180
Minimum Alternate Tax credit entitlement	28,398,035	19,259,712
Advance taxes	1,538,232	610,844
Deposits	39,410,497	24,697,153
Input Tax credit	6,663,910	4,712,209
Other advances	241,030	1,999,191
	107,744,554	94,133,961
8. Current Liabilities and Provisions		
Current liabilities		
Sundry creditors		
(i) Dues of Micro and Small Enterprises	-	10,171
(ii) Dues of Other Creditors	4,907,328	12,484,525
Advances received from customers	52,026	887,740
Unpaid Application Money received for allotment of securities and due for refund.	195,375	-
Other liabilities		
provision for expenses	94,331,194	109,016,155
withholding and other taxes payable	9,856,495	10,790,176
others	195,337	1,040,401
	109,537,755	134,229,168
Provisions		
Provision for taxation (net of advance tax payments)	12,492,270	12,124,691
Provision for gratuity	17,189,815	14,559,369
Provision for dividend	10,051,581	8,701,581
Provision for corporate tax on dividend	-	1,478,883
	39,733,666	36,864,524

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Schedules to the Consolidated Financial Statements
(All amounts are in Indian rupees, unless otherwise stated)

	Year Ended March 31, 2010	Year Ended March 31, 2009
9 Software Services		
Within India	45,712,068	31,789,405
Rest of the World	782,917,016	890,835,397
Less: Sales discount	-	(1,703,350)
	828,629,084	920,921,452
10. Other income		
Interest received on deposits with banks	4,449,612	2,371,740
Interest received from others	569,100	543,310
Profit on sale of fixed assets	562,308	6,276,773
Provisions no longer required	3,985,774	-
Exchange gain (Net)	-	26,536,978
Miscellaneous income	-	10,000
	9,566,794	35,738,801
11. Personnel expenses		
Salaries, Bonus and allowances	457,376,910	482,621,983
Contribution to provident and other funds	29,024,665	29,872,585
Staff welfare	3,490,072	3,086,902
	489,891,647	515,581,470
12. Operating and other expenses		
Software expenses	5,821,392	6,942,984
Consultancy charges	19,485,216	16,244,504
Travel expenses	85,668,670	116,129,731
Power and fuel	5,847,249	10,161,558
Rent	28,886,468	34,930,860
Insurance	3,838,834	3,642,606
Repairs & maintenance - buildings	2,331,230	8,757,234
- plant and machinery	2,596,837	3,582,142
- others	729,480	581,213
Communication expenses	7,930,156	7,549,390
Audit Fees	1,406,995	1,315,661
Sales Commission (Other than sole selling agent)	9,604,437	9,811,603
Marketing and selling expenses	10,271,126	8,362,239
Cash Discount	719,255	-
Rates and taxes	920,817	1,123,037
Donation	488,970	310,000
Training and recruitment	1,654,519	2,911,962
Directors Sitting Fee	698,640	198,909
Professional fees	14,913,617	15,212,448
Exchange loss (Net)	36,488,364	-
Provision for Doubtful Debts	-	11,256,233
Miscellaneous expenses	2,914,993	3,327,514
	243,217,265	262,351,828
13. Financial Expenses		
Bank charges	1,662,975	2,260,617
	1,662,975	2,260,617

Thinksoft Global Services Limited
Consolidated Financial Statements for the year ended March 31, 2010

Cash Flow Statement for the year ended March 31, 2010
(All amounts are in Indian rupees, unless otherwise stated)

	Year ended March 31, 2010	Year ended March 31, 2009
Cash flow from operating activities		
Net profit/(loss) before taxation	90,644,457	160,615,762
Adjustments for:		
Depreciation/amortization	12,779,534	15,850,576
Loss/(profit) on sale of fixed assets	(562,308)	(6,276,773)
Unrealised forex exchange loss/(gain), net	53,488,511	(33,686,409)
Interest income	(5,018,712)	(2,915,050)
Provision for bad and doubtful debts	(3,985,774)	11,256,233
Operating profit before working capital changes	147,345,707	144,844,339
(Increase)/Decrease in sundry debtors	58,229,154	(24,374,057)
(Increase)/Decrease in Deferred tax Asset	(4,112,305)	(2,819,730)
(Increase)/Decrease in loans and advances / other current assets	(17,010,357)	(24,152,606)
Increase/(Decrease) in current liabilities (Refer note c below)	(26,715,750)	23,688,965
Increase/(Decrease) in provisions	2,630,446	7,659,104
Cash generated from operations	160,366,896	124,846,015
Direct taxes paid (net of refunds)	(7,942,730)	(8,464,363)
Net cash from/(used in) operating activities	152,424,166	116,381,652
Cash flows from investing activities		
Purchase of fixed assets	(21,777,968)	(21,592,662)
Proceeds from sale of fixed assets	608,278	6,704,891
Interest received	2,548,342	2,661,555
Fixed deposits matured/(invested) during the year	(17,569,903)	28,846,534
Net cash from/(used in) investing activities	(36,191,251)	16,620,318
Cash flows from financing activities		
Proceeds from Issue of Shares	153,151,324	5,262,285
Dividends paid	(8,701,581)	-
Tax on dividend paid	(3,187,151)	-
Net cash (used in)/from financing activities	141,262,592	5,262,285
Net increase in cash and cash equivalents	257,495,506	138,264,255
Cash and cash equivalents at the beginning of the year	249,464,667	102,268,775
Effect of changes in exchange rate on cash and cash equivalents	(26,707,791)	8,931,637
Cash and cash equivalents at the end of the year	480,252,382	249,464,667
Notes:		
a) The reconciliation to the cash and bank balances as given in the Balance Sheet is as Follows:		
Cash and bank balances, per Schedule 5	513,954,427	265,596,811
Less: Fixed Deposit With maturity Over 90 days	(33,702,045)	(16,132,144)
Cash and cash equivalents, end of the year	480,252,382	249,464,667
b) Components of cash and cash equivalents		
Cash on hand	50,276	92,347
Balance with Bank		
in current accounts	23,913,437	9,534,358
in deposit account	152,776,657	-
in current accounts in foreign currency	211,559,881	162,582,520
HDFC Bank – Unpaid application money due for Refund	195,375	-
Balance with non-scheduled banks :-		
in current accounts - ICICI Bank, London	6,653,012	7,960,245
in deposit accounts - ICICI Bank, London	13,606,000	7,286,000
in current accounts - Ing Bank, Belgium	14,919,835	8,710,859
in current accounts - HSBC, USA	17,712,314	18,141,819
in current accounts - OCBC, Singapore	31,240,941	34,005,289
in current accounts - Dresdner Bank, Germany	7,624,654	1,151,230
	480,252,382	249,464,667

c) Adjustments for increase/decrease in current liabilities related to acquisition of fixed assets have been made to the extent identified.

As per our report of even date.

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Limited

Consolidated Financial for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Consolidated Financial Statements

14. NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS

14.1 Background

Thinksoft Global Services Limited (“Thinksoft” or “the Company”) was incorporated on June 8, 1998 under the Companies Act, 1956 as a private limited company. The Company has been converted into a public limited company with effect from 19th August 2008. The Company has made an Initial Public Offering (IPO) on 24th Sep 2009 (issue open date) as approved by the members in the Extra Ordinary General Meeting held on 17th Sep 2008. The Shares under IPO were allotted on 14th Oct 09 and the Company shares have been listed in National Stock exchange and Bombay Stock exchange on 26th Oct 09.

The Company is an India based software service provider. Thinksoft and its wholly owned subsidiaries (together referred to as ‘the group’) are primarily delivering software validation and verification services to the banking and financial services industry worldwide. The subsidiaries in the group considered in the presentation of these consolidated financial statements are:

Name of Subsidiary	Country of Incorporation	Percentage of ownership
Thinksoft (India) Services Pvt Ltd	India	100%
Thinksoft Global Services Pte Ltd	Singapore	100%
Thinksoft Global Services, Inc	USA	100%
Thinksoft Global Services (Europe) GmbH	Germany	100%

The company’s 100% Indian subsidiary, Thinksoft (India) Services Private Limited, has applied for its voluntary winding-up and the liquidation is in process. However, there is no material impact on the realization of the assets carried in the Balance Sheet.

14.2 Significant Accounting Policies:

a) Basis of preparation of financial statements

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

Principles of Consolidation

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

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

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

Thinksoft Global Services Limited

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(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Consolidated Financial Statements

b) Use of estimates

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

c) Fixed assets and depreciation

Fixed assets

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

Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management as follows:

Asset description	Percentage
Buildings	5.00%
Plant, machinery and equipment	33.33%
Computer equipment	33.33%
Intangible assets – Computer software	33.33%
Furniture and fittings	33.33%
Office equipment	33.33%
Vehicles	25.00%
Temporary partitions	100.00%
Leasehold Rights & Improvements	Tenure of lease period or 10 yrs whichever is less

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

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

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Schedules to the Consolidated Financial Statements

d) Impairment

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

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

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

e) Revenue recognition

Software services income

- Revenue from software testing and allied services comprises revenue from time and material contracts and fixed price contracts.
- Revenue from time-and-materials contracts is recognized based on time/efforts spent on software tested and billed to clients as per the terms of specific contracts.
- On fixed-price contracts, revenue is recognized on the proportionate percentage completion method on the basis of the work completed.
- Revenue from software testing includes reimbursement of expenses billed as per the terms of contracts.

Interest income

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

Government Grant

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

f) Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund / Social Security payments are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to the concerned authorities. The Company has no further obligations under the plan beyond its periodic contributions.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year under the Projected unit credit method. Actuarial Gains/Losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognized immediately in Profit & Loss Account as Income/Expense.
- iii. Appropriate provision has been made for the accrued and unveiled leave entitlements which are short-term in nature

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g) Taxation

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

h) Earnings per share

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

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

i) Foreign currency transactions and translations

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

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iv) Forward Contracts in foreign currency:

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

j) Provisions

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

k) Leases

Where the Company is the lessee

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

l) Employee Stock Compensation Cost

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

m) Segment Information

Business Segments :

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

Geographical Segments :

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

n) Cash Flow

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

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Cash and Cash equivalents

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

14.3 OTHER NOTES

14.3.1 Secured loans

The Company has a cash credit facility with Lakshmi Vilas Bank, Chennai, which is secured by hypothecation of fixed assets, book debts of the Company both present and future and also by personal guarantee of two Directors of the Company. The Company has not utilized this facility either in the current year or in the previous year.

14.3.2 Employees' Stock Option Plan (ESOP)

The Company does not have any ESOP Plan currently in operation. All the options under three ESOP plans in operation till last year were exercised/lapsed in the last year itself. Consequent to exercise/lapse of these options the amount of compensation cost of Rs. 58,12,500/- charged off to Profit and Loss account in the earlier years were transferred to Share Premium account (Rs.50,37,500/-) and General Reserve (Rs.7,75,000/-) in the previous year ended 31 March, 2009.

14.3.3 Commitments and contingencies

	31-Mar-10	31-Mar-09
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9,269,128	1,409,147
Service tax related matters	7,218,676	7,218,676
Income tax related matters	-	=
Counter Guarantees issued to Bank for the Bank Guarantees obtained	17,669,900	15,300,000

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

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14.3.4 Exposure in foreign currency

- (a) The company has not entered into any Foreign Currency or other derivative instruments during the year.
- (b) The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

	FCY	31-Mar-10		31-Mar-09	
		Amount in FCY	Amount in Rs	Amount in FCY	Amount in Rs
Sundry Debtors	GBP	472,912	32,172,203	863,876	62,942,005
Sundry Debtors	USD	1,361,689	61,466,641	2,144,290	109,251,576
Sundry Debtors	AED	443,823	5,441,270	2,192,215	31,151,375
Sundry Debtors	CHF	32,812	1,388,604	39,793	1,807,796
Sundry Debtors	Euro	191,032	11,568,898	240,543	16,231,847
Sundry Debtors	SGD	48,000	1,545,600	95,644	3,282,502
Sundry Debtors	AUD	868,797	35,968,196	257,084	9,167,615
Sundry Debtors	BHD	1,050	126,032	-	-
Loans & Advances	USD	186,083	8,399,787	42,245	2,152,360
Loans & Advances	SGD	18,883	608,033	4,656	159,794
Loans & Advances	GBP	40,993	2,788,754	75,463	5,498,291
Loans & Advances	AUD	100,133	4,145,506	3,250	115,902
Loans & Advances	AED	80,307	984,564	-	-
Loans & Advances	Euro	38,744	2,346,337	8,985	606,323
Sundry Creditors	AUD	342	14,159	5,762	205,473
Sundry Creditors	GBP	7,346	499,748	5,779	421,067
Sundry Creditors	SGD	220	7,084	-	-
Sundry Creditors	USD	6,184	279,146	-	-
Sundry Creditors	Euro	7,863	476,183	9,955	670,511

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14.3.5 Operating leases - Leasing arrangements in the capacity of a Lessee

Particulars	Mar 31, 2010	Mar 31, 2009
Lease payments recognized in the profit and loss account for the year	28,886,468	34,930,860
Minimum Lease Payments		
Not later than one year	47,784,805	25,360,043
Later than 1 year but not later than 5 years	71,230,690	51,152,204
Later than 5 years	-	2,905,897
Total	119,015,495	79,418,144

14.3.6 Segment reporting

Segmental information

Sales Revenue by Geographical Market

	Year Ended March 31, 2010	Year Ended March 31, 2009
Within India	45,712,068	31,789,405
Outside India	782,917,016	889,132,047
Total	828,629,084	920,921,452

14.3.7 Related party disclosures (not disclosed elsewhere in these financial statements)

1. Key Management Personnel

Mr. A.V.As vini Kumar - Managing Director

Mrs. Vanaja Arvind - Executive Director

Mr. Mohan Parvatikar – Wholetime Director

2. Relatives of Key Management Personnel

Ms. Aarti Arvind

Ms. A. K. Latha

Mr. A. K. Krishna

Ms. Lalitha Devi

Mr. Chalapathi Rao Peddineni

Mr. C. V. Rajan

3. Companies in which Directors have significant influence

M/s Virtus Advisory Services Private Limited

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Transactions and balances with related parties:

Particulars	Nature of Relationship	Name of the Related party	Year Ended March 31, 2010	Year Ended March 31, 2009
Income:				
Interest Income	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	NIL	NIL
Expenses:				
Managerial remuneration	Key Management Personnel	Mr. A. V. Asvini Kumar	3,850,000	8,950,000
		Ms. Vanaja Arvind	3,850,000	8,950,000
		Mr.Mohan Parvatikar	1,200,000	NIL
Rent	Key Management Personnel	Mr. A. V. Asvini Kumar	237,600	223,200
	Relative of Key Management Personnel	Ms. A K Latha	180,000	180,000
	Relative of Key Management Personnel	Mr. A K Krishna	180,000	180,000
Salary	Relative of Key Management Personnel	Ms Aarti Arvind	2,323,009	1,060,302
Professional Services	Relative of Key Management Personnel	Mr.Chalapathi Rao Peddineni	NIL	902,500
	Relative of Key Management Personnel	Mr. C V Rajan	15,000	NIL
Other Transactions:				
Proposed Final Dividend	Key Management Personnel	Mr. A. V. Asvini Kumar	NIL	3,642,777
	Key Management Personnel	Ms. Vanaja Arvind	NIL	1,050,662
	Relative of Key Management Personnel	Ms. A K Latha	NIL	243,722
	Relative of Key Management Personnel	Ms. Lalitha Devi	NIL	11,389
	Relative of Key Management Personnel	Mr. A K Krishna	NIL	227,778
	Relative of Key Management Personnel	Ms. Aarti Arvind	NIL	33,333
	Relative of Key Management Personnel	Mr.Chalapathi Rao Peddineni	NIL	11,111
	Key Management Personnel	Mr. C.V. Rajan	NIL	2,222
Interim Dividend Payable	Key Management Personnel	Mr. A. V. Asvini Kumar	3,642,777	NIL
	Key Management Personnel	Ms. Vanaja Arvind	1,050,662	NIL
	Key Management Personnel	Mr.Mohan Parvatikar	138,853	NIL
	Relative of Key Management Personnel	Ms. A K Latha	243,722	NIL

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Particulars	Nature of Relationship	Name of the Related party	Year Ended March 31, 2010	Year Ended March 31, 2009
	Relative of Key Management Personnel	Ms. Lalitha Devi	11,389	NIL
	Relative of Key Management Personnel	Mr. A K Krishna	227,778	NIL
	Relative of Key Management Personnel	Ms. Aarti Arvind	33,333	NIL
	Relative of Key Management Personnel	Mr.Chalapathi Rao Peddineni	11,111	NIL
	Relative of Key Management Personnel	Mr. C.V. Rajan	2,222	NIL
Outstanding balances:				
Sundry Creditors	Key Management Personnel	Mr. A. V. Asvini Kumar	68,218	181,673
Provision for expenses	Key Management Personnel	Mr. A. V. Asvini Kumar	250,000	2,950,000
	Key Management Personnel	Ms. Vanaja Arvind	250,000	2,950,000
	Key Management Personnel	Mr. Mohan Parvatikar	700,000	1,630,000
Final Dividend Payable	Key Management Personnel	Mr. A. V. Asvini Kumar	NIL	3,642,777
	Key Management Personnel	Ms. Vanaja Arvind	NIL	1,050,662
	Key Management Personnel	Mr. Mohan Parvatikar	NIL	138,853
	Relative of Key Management Personnel	Ms. A K Latha	NIL	243,722
	Relative of Key Management Personnel	Ms. Lalitha Devi	NIL	11,389
	Relative of Key Management Personnel	Mr. A K Krishna	NIL	227,778
	Relative of Key Management Personnel	Ms. Aarti Arvind	NIL	33,333
	Relative of Key Management Personnel	Mr.Chalapathi Rao Peddineni	NIL	11,111
	Relative of Key Management Personnel	Mr. C. V. Rajan	NIL	2,222
Interim Dividend Payable	Key Mangement Personnel	Mr. A. V. Asvini Kumar	3,642,777	NIL
	Key Management Personnel	Ms. Vanaja Arvind	1,050,662	NIL
	Key Management Personnel	Mr. Mohan Parvatikar	138,853	NIL
	Relative of Key Management Personnel	Ms. A K Latha	243,722	NIL
	Relative of Key Management Personnel	Ms. Lalitha Devi	11,389	NIL
	Relative of Key Management Personnel	Mr. A K Krishna	227,778	NIL
	Relative of Key Management Personnel	Ms. Aarti Arvind	33,333	NIL
	Relative of Key Management Personnel	Mr.Chalapathi Rao Peddineni	11,111	NIL
	Relative of Key Management Personnel	Mr. C. V. Rajan	2,222	NIL

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14.3.8 Disclosure Pursuant to Accounting Standard – 15
(i) Short Term Plan – Compensated Absence

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

(Rs. In thousands)

	Current Year	Previous Year
Liability at the beginning of the year	7,523	6,211
Leave salary relating to opening year adjusted to general reserves directly	-	-
Leave salary cost accounted for the year	-	1,312
Total liability as at year end	7,523	7,523

(ii) Defined Contribution Plan – Provident Fund:

(Rs. In thousands)

	Current Year	Previous Year
Employers contribution to Provident Fund Organization	12,785	13,100

(iii) Defined Benefit Plan – Gratuity

(Rs. In thousands)

(I)	Change in Benefit Obligation	Current Year	Previous Year
	Liability at the beginning of the year	16,187	8,397
	Interest Cost	1,267	635
	Current Service Cost	3,879	4,493
	Past Service Cost (Vested Benefit)	-	-
	Past Service Cost (Non Vested Benefit)	-	-
	Benefit Paid	(701)	(924)
	Actuarial (gain)/loss on obligations	(1,678)	3,586
	Liability at the end of the year	18,954	16,187

(Rs. In thousands)

(II)	Fair Value of Plan Assets	Current Year	Previous Year
	Fair Value of plan assets at the beginning of the year	1,628	1,635
	Expected Return on Plan Assets	109	94
	Contributions	-	-
	Benefit Paid	(701)	(924)
	Actuarial gain/(loss) on Plan Assets	730	823
	Fair Value of plan assets at the end of the year	1,766	1,628

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(Rs. In thousands)

(III)	Actual Return on Plan Assets	Current Year	Previous Year
	Expected Return on Plan Assets	109	94
	Actuarial gain/(loss) on Plan Assets	730	823
	Actual Return on Plan Assets	839	917

(Rs. In thousands)

(IV)	Amount Recognised in the Balance Sheet	Current Year	Previous Year
	Present value of the obligation	18,954	16,187
	Fair Value of Plan Assets	1,766	1,628
	Difference (Funded Status)	17,188	14,559
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
	Amount Recognised in the Balance Sheet	17,188	14,559

(Rs. In thousands)

(V)	Expenses Recognised in the Income Statement	Current Year	Previous Year
	Current Service Cost	3,879	4,493
	Interest Cost	1,267	635
	Expected Return on Plan Assets	(109)	(94)
	Net Actuarial (Gain)/loss to be recognised	(2,408)	2,763
	Transitional Liability recognized	-	-
	Past service cost – non vested benefits	-	-
	Past Service Cost – vested benefits	-	-
	Expense Recognised in P & L	2,629	7,797

(Rs. In thousands)

(VI)	Balance Sheet Reconciliation	Current Year	Previous Year
	Opening Net Liability as per books	14,559	6,762
	Transitional liability adjusted to opening reserves and deferred taxes	-	-
	Expense as above	2,629	7,797
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
	Contribution Paid	-	-
	Amount Recognised in Balance Sheet	17,188	14,559

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(VII)	Actuarial Assumptions : For the period/year	Current Year	Previous Year
	Discount Rate Current	8.00%	8.00%
	Expected Rate of Return on Plan Assets	8.50%	8.00%
	Salary Escalation Current	11.00%	10.00%
	Attrition rate	17.80%	10.00%

(VIII)	Investment details – as at period / year end	Current Year	Previous Year
	Funds Managed by Company	100%	100%

Actuarial Valuation:
a. Experience Adjustments

(Rs. In thousands)

Particulars	2009-10	2008-09	2007-08
Defined Benefit Obligation	18,954	16,187	11,187
Plan Assets	1,766	1,628	1,635
Surplus / (Deficit)	(17,188)	(14,559)	(9,552)
Exp. adj. on Plan Liabilities	(1,678)	3,586	173
Exp. adj. on Assets	730	823	65

b. Estimated contribution towards Gratuity for next year – Rs. 67 lakhs
14.3.9 Disclosure made in terms of clause 32 of the listing agreement with Stock exchange.

Particular	Name of the company	Amount outstanding as on 31.3.2010 Rs.	Maximum amount due at any one time during the year Rs.
a) Loans and advances			
i) Loans and advances in the nature of loans made to subsidiary company.		NIL	
ii) Loans and advances in the nature of loans made to associate company			
iii) Loans and advances in the nature of loans where there is. a) No repayments schedule or repayment beyond seven year(or) b) No Interest or interest below section 372A of the Companies Act.			
iv) Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested.			

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Particular	Name of the company	Amount Rs.	Maximum amount of investments during the year Rs.
B) Investments by the company			
I) In Subsidiary Company	Thinksoft (India) Services Private Limited	1,00,000	1,00,000
II) In Subsidiary Company	Thinksoft Global Services Pte Ltd, Singapore	2,658,023	2,658,023
III) In Subsidiary Company	Thinksoft Global Services Inc, USA	4,625,400	4,625,400
IV) In Subsidiary Company	Thinksoft Global Services (Europe) GmbH, Germany	2,714,774	2,714,774
a) Investment by the loanee in the shares of the parent company and subsidiary company when the company has made a loan or advance in the nature of Loan		NIL	

14.3.10 Deferred Tax

The breakup of net deferred tax asset is as under:

Deferred tax assets arising on timing differences on account of :

	Current Year	Previous Year
Net Deferred Tax Asset as at beginning of the year	6,227,107	3,407,377
Deferred Tax on opening reserve adjustment on gratuity liability (AS 15 revised)	-	-
Deferred Tax credit to the CY P&L	41,12,305	2,819,730
Net Deferred Tax Asset as at year end, made up of:	10,339,412	6,227,107
- On account of timing difference in claiming Depreciation allowance	2,025,364	1,278,377
- On account of timing difference in claiming provision for Gratuity and Doubtful Debts	8,314,048	4,948,730

Thinksoft Global Services Limited
Consolidated Financial for the year ended March 31, 2010
(All amounts are in Indian rupees, unless otherwise stated)
Schedules to the Consolidated Financial Statements
14.3.11 Earnings Per Share

	31-Mar-10	31-Mar-09
Net Profit after tax	82,334,145	144,891,758
Weighted average number of equity shares @ Rs 10/- each outstanding	9,320,534	8,223,255
Basic earnings per share (in Rupees)	8.83	17.62
Potential equity shares	-	-
Weighted average number of shares used as denominator for Diluted earnings per share	9,320,534	8,223,255
Diluted earnings per share (in Rupees)	8.83	17.62

14.3.12 Utilisation of IPO proceeds:

Particulars	Estimate as per Prospectus (excluding Contingencies) Rs. in lacs	Actual amount (Expended/ Invested) Rs. in lacs
Setting up a new testing centre MEPZ - SEZ Tambaram, Chennai).	1,609.34	15.17
Public Issue Expenses	165.50	155.99
Net Amount available in Fixed Deposit	-	1,531.51

The Board of Directors in their meeting on 26th March 2010 have approved the changes in the utilization of IPO proceeds and have sought Shareholders approval through Postal ballot for the proposed changes in utilisation of IPO proceeds. The results of Postal Ballot will be announced on 14th May 2010. On approval of the Shareholders, the new proposal will be implemented.

14.3.13 Prior period comparatives

Prior year figures have been reclassified / regrouped wherever necessary to conform to the current period's classification.

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board of Directors

V. Kothandaraman
Partner
Membership No: 25973
Firm Registration No.: 003990S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place: Chennai
Date : April 30, 2010

Chennai
April 30, 2010

THINKSOFT GLOBAL SERVICES PTE. LTD., SINGAPORE

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Annual Report together with the audited accounts of Thinksoft Global Services Pte. Ltd., Singapore for the year ended March 31, 2010.

Operations

The Company had earned a revenue of Rs.4,376,336/- during the year under review. The Loss during the year was Rs. 5,817,849/- as against Profit After Tax of Rs. 5,533,685 /- during the previous year 2008-09.

Directors

Mr. A.V. Asvini Kumar, Ms. Vanaja Arvind and Vangal Rangarajan Ranganathan continue as Directors of the Company.

Directors' responsibility statement

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they had prepared the annual accounts on a going concern basis.

Conservation of energy, Technology absorption and foreign exchange

The operations do not warrant high energy consumption. The Company has not carried out any specific R&D activity. The Company carries on its business outside India and hence all the income and expenditures are Foreign Exchange earnings and outgo only.

Employee particulars in terms of Section 217(2A) of the Companies Act, 1956

The Department of Company Affairs has amended the Companies (Particulars of Employees) Rules 1975 to the effect that particulars of employees engaged in Information technology sector posted and working outside India, not being directors or their relatives, drawing more than Rs. 24 Lakhs per financial year or Rs. 2 Lakhs per month, as the case may be, need not be included in the statement. Since all the employees are working outside India, the statement under Section 217(2A) has not been enclosed.

For and on behalf of the Board of Directors

A.V. Asvini Kumar
Director

Chennai
April 30, 2010

Auditor's Report

for the year ended March 31, 2010 on Translated Financial Statements
of Thinksoft Global Services Pte Ltd., Singapore.

To

The Board of Directors,
Thinksoft Global Services Limited

1. We have verified the annexed translated Balance Sheet as at 31st March 2010 of Thinksoft Global Services Pte Ltd, Singapore and the Profit and Loss Account for the year ended on that date, so as to have them properly drawn up in accordance with the requirements of the Indian Companies Act, 1956 in the manner so required, from the audited accounts certified by the statutory auditors, whose report is attached with the accounts.
2. We have relied on the financial statements of Thinksoft Global Services Pte Ltd, Singapore and the report and statement certified by Natarajan & Swaminathan, Singapore. These financial statements have been audited by Natarajan & Swaminathan, Singapore whose report has been furnished to us and our opinion is solely based on their report.
3. These financial statements are the responsibility of the Company's management. Our responsibility is to ensure the correctness of presentation in accordance with the Companies Act, 1956. The said accounts have been prepared for the limited purpose of filing report u/s 212 of the Companies' Act 1956.
4. With respect to matters required to be reported under the Companies Auditors Report Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, since the records of the Company are being kept at Thinksoft Global Services Pte Ltd, Singapore and as our report is solely based on the report of Natarajan & Swaminathan, Singapore. We are not in a position to comment on the matters required to be reported under the said Order.
5. Further to our comments referred to in paragraph 4 above, we state that;

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 and give a true and fair view
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b. In the case of the Profit & Loss Account, of the loss for the year ended on that date.

For A. Murali & Associates
Chartered Accountants,

A. Murali

Proprietor

Membership No : 022733

Firm No : 007041S

Place : Chennai

Date : April 30, 2010

Thinksoft Global Services Pte Ltd, Singapore
Financial Statements for the year ended March 31, 2010

Balance Sheet as at 31st March 2010

(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	2,658,023	2,658,023
Reserves and surplus	2	24,211,661	29,997,328
		26,869,684	32,665,351
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	3	12,848	-
Less : Accumulated depreciation		4,061	-
Net block		8,787	-
Capital work in progress including capital advances		-	-
		8,787	-
Current Assets, Loans and Advances			
Sundry debtors	4	-	1,439,518
Cash and bank balances	5	31,240,942	34,039,609
Other current assets	6	1,059	885,456
Loans and advances	7	26,621	168,646
		31,268,622	36,533,229
Less : Current Liabilities and Provisions			
Current Liabilities	8	4,407,725	3,814,404
Provisions		-	63,474
Net current assets		26,860,897	32,655,351
		26,869,684	32,655,351

Notes to Accounts 14

The schedules referred to above and the notes on accounts form an integral part of the Balance Sheet

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Pte Ltd., Singapore
Financial Statements for the year ended March 31, 2010

Profit and Loss Account For the period ended March 31,2010
(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Software Services	9	4,376,336	5,614,007
Other income	10	-	5,009,882
		4,376,336	10,623,889
EXPENDITURE			
Personnel expenses	11	7,430,235	3,742,719
Operating and other expenses	12	2,758,911	1,325,659
Financial expenses	13	978	-
Depreciation / amortization	3	4,061	-
		10,194,185	5,068,378
Profit/ (Loss) before tax		(5,817,849)	5,555,511
Provision for tax			
- Current tax		-	21,826
Total Tax Expense		-	21,826
Profit/(Loss) after tax		(5,817,849)	5,533,685
Balance brought forward from previous year		29,997,328	24,463,643
Profit available for appropriation		24,179,479	29,997,328
Previous Year Excess Provision		32,182	
Surplus carried to Balance Sheet		24,211,661	29,997,328
Notes to Accounts	14		

As per our report of even date

A. Murali & Associates
Chartered Accountants

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

Chennai
Date : April 30, 2010

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

A. V. Asvini Kumar
Managing Director

Chennai
April 30, 2010

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Thinksoft Global Services Pte Ltd., Singapore
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
1. Share capital		
Paid Up Capital	2,658,023	2,658,023
100,000 Equity Shares(Previous Year - 100,000) of S\$ 1/- each Fully Paid up The whole of share capital is held by Thinksoft Global Services Ltd, Holding Company, Chennai		
2. Reserves and surplus		
Profit and Loss Account		
Balance in Profit and Loss Account	24,211,661	29,997,328
	24,211,661	29,997,328
3. Fixed assets		
Schedule 3 on fixed assets is set out on the following page.	8,787	-
	8,787	-
4. Sundry debtors (Unsecured)		
Considered Good		
Debts outstanding for a period exceeding six months	-	631,625
Other debts	-	807,893
	-	1,439,518
5. Cash and bank balances		
Cash on hand	-	34,320
Balances with Scheduled Banks	-	-
Balances with non-scheduled banks :- in current account - OCBC , Singapore	31,240,942	34,005,289
	31,240,942	34,039,609
6. Other current assets (Unsecured and considered good)		
Unbilled revenue	-	885,456
Other Current Assets	1,059	-
	1,059	885,456
7. Loans and advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	2,471	168,646
Deposits	24,150	-
	26,621	168,646
8. Current Liabilities and Provisions		
Current liabilities		
Sundry creditors		
(i) Dues of Micro and Small Enterprises	-	-
(ii) Dues of Other Creditors	7,092	-
provision for expenses	1,094,059	815,100
withholding and other taxes payable	-	120,312
others	3,306,574	2,878,992
	4,407,725	3,814,404
Provisions		
Provision for taxation (net of advance tax payments)	-	63,474
	-	63,474

Thinksoft Global Services Pte Ltd., Singapore
Financial Statements for the Year Ended March 31, 2010

Schedules to the Financial Statements
(All amounts are in Indian rupees, unless otherwise stated)

3. Fixed Asset

Description	Gross Block			Depreciation / Amortization				Net Block		
	As at April 1, 2009	Additions during the period	Deletions during the period	As at March 31, 2010	As at April 1, 2009	For the year	Deductions during the year	As at March 31, 2010	As at March 31, 2010	As at April 1, 2009
a. Tangible Assets										
Computer Equipment	-	12,848	-	12,848	-	4,061	-	4,061	8,787	-
Total	-	12,848	-	12,848	-	4,061	-	4,061	8,787	-
Previous year ended 31.03.2009	-	-	-	-	-	-	-	-	-	-

Thinksoft Global Services Pte Ltd., Singapore
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	Year Ended March 31, 2010	Year Ended March 31, 2009
9. Software Services		
Domestic Sales	4,376,336	5,614,007
	4,376,336	5,614,007
10. Other income		
Exchange gain (Net)	-	5,009,882
	-	5,009,882
11. Personnel expenses		
Salaries, Bonus and allowances	7,243,566	3,742,719
Contribution to provident and other funds	186,669	-
	7,430,235	3,742,719
12. Operating and other expenses		
Travel expenses	151,274	240,512
Rent	300,960	-
Repairs & maintenance - buildings	1,796	-
Communication expenses	50,375	-
Audit Fees	118,545	101,116
Marketing and selling expenses	15,134	-
Rates and taxes	668	-
Training and recruitment	-	386,100
Directors Sitting Fee	38,640	38,909
Professional fees	182,427	558,382
Exchange loss (Net)	1,899,092	-
Miscellaneous expenses	-	640
	2,758,911	1,325,659
13. Financial expenses		
Bank charges	978	-
	978	-

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

14. NOTES ON ACCOUNTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements. In the preparation of translated financial statements of Thinksoft Global Services Pte Ltd, Singapore for the year ended March 31st, 2010, Audited accounts certified by Statutory Auditor (Natarajan & Swaminathan, Singapore) has been regrouped and reclassified in accordance with the requirements of Indian Companies Act, 1956 in the manner so required in Indian Rupees equivalent to Singapore Dollars and Previous year figures has been regrouped and reclassified wherever necessary to conform to the current period classification.

The accounts are maintained on accrual basis. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Income and expenditure transactions are recognized at the rate on transaction date / average rate applicable for the year. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences on account of conversion are recognized as income or as expenses in the year in which they arise.

14.1 Corporate Information

The Company (Registration No. 200107523G) is a private limited Company incorporated and domiciled in Singapore.

The registered office of the Company is located at 1, North Bridge Road, #19-04 High Street Centre, Singapore 179094.

The principal activities of the Company are to develop computer software, to provide software related services and placement of software professionals.

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

Holding Company

The Company is a wholly owned subsidiary of 'Thinksoft Global Services Limited', a limited company incorporated in India, which is also the ultimate holding company.

14.2 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, Chapter 50. The financial statements are expressed in Indian Rupees (Rs.) equivalent to Singapore Dollars (S\$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting 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 revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer to Note 2(b) to the financial statements).

The Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS1	:	Presentation of Financial Statements (Revised 2008)
FRS7	:	Cash Flow Statements
FRS8	:	Accounting Policies, Changes in Accounting Estimates and Errors
FRS19	:	Employee Benefits
FRS 36	:	Impairment of Assets
FRS 39	:	Amendment to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments Disclosures - Reclassification of Financial Assets
FRS 107	:	Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements, except as disclosed below:

FRS 1 – Presentation of Financial Statements (Revised 2008)

FRS 1 (revised 2008) requires an entity to present, in a statement of changes in equity, all owners' changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a retrospective application of an accounting policy, a retrospective restatement of items in its financial statements or a reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Company's financial positions or results.

b) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have 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 receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

c) Foreign currency transactions

(i) Functional currency

The functional currency of the Company is Singapore Dollars, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the income statement for the year.

d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalized and expenditure for maintenance and repairs are charged to the income statement. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the income statement.

e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives at the following:

Computer peripherals	-	33.33%
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Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

f) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible 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).

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price 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 (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in income statement unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) Financial instruments

Financial instruments comprise financial assets and liabilities and they are recognized 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 through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Financial assets are classified as one of the financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Recognition

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at the time of initial recognition, and where allowed and appropriate, re-evaluates this designation at each financial year end.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

All regular way purchases and sales of financial assets are recognized or derecognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within

As of year end the Company has the following classes of financial assets:-

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as “trade and other receivables” and “cash and bank balances” on the statement of financial position. They are presented as current assets, except for that with maturity later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables are measured at Amortized cost using the effective interest method less impairment losses. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process. For short term receivables the nominal cost would approximate the fair value.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. 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 financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

Impairment

With the exception of available-for-sale equity instruments, if any, 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 loss was recognised, the previously recognised impairment loss is reversed through income statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in equity.

Derecognition

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 assets, 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 recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interest-bearing loans and borrowings.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for finance costs.

Financial liabilities are derecognized when the obligation under the liabilities are discharged, cancelled or expire.

h) Cash and cash equivalents

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

i) Revenue recognition

Revenue is recognised 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 or receivable. Revenue is reduced for discounts and sales returns. Revenues are recognised on the following basis:

Rendering of services

Revenue is recognised on the completion of the services for software projects undertaken by the Company and software fees is collected progressively as per the terms accepted with the customers.

Government grant

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

j) Employee benefits

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognized when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the financial position date.

A liability for bonuses is recognized where the entity is contractually obliged or where there is constructive obligation based on past practice.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

k) Operating lease

Leases of plant and equipment where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals and other lease payments under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease.

l) Income tax

Income tax expense represents the sum of 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 income statement 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 statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit 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. Deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is 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 net basis.

m) Goods and services tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST except:

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

14.3 Trade payables and accruals

	2010	2009
	Rs.	Rs.
Holding company	895,743	518,095
GST payable	-	120,312
Accrued expenses	1,013,495	739,596
	1,909,238	1,378,003

14.4 Other Payables

	2010	2009
	Rs.	Rs.
Holding company	2,294,911	1,950,062
Director	115,920	82,368
Provision for travel expenses	87,656	75,504
Staff payables	-	328,467
	2,498,487	2,436,401

The amount due to director is unsecured, interest free and has no fixed terms of repayment

14.5 Income tax expense

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to the profit before income tax as a result of the following differences; As of end of the financial year, the company has unutilised tax losses available for set off against future taxable income, subject to agreement with the Tax Authority and compliance with certain condition of the Income Tax Act. Deferred tax assets has not been recognised as future taxable profits to utilise the benefits cannot be reasonably ascertained.

14.6 Holding company transactions

Some of the Company's transactions and arrangement are with holding company and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

During the year, the Company entered into the following trading transactions with the holding company;

	2010	2009
	Rs.	Rs.
Consultancy charges	736,344	503,120
Management fees	401,190	809,040

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

14.7 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	2010 Rs.	2009 Rs.
Financial assets		
Loans and receivables	31,268,622	36,533,229

Loans and receivables under financial assets comprise trade receivables, other receivables and cash and bank balances.

	2010 Rs.	2009 Rs.
Financial liabilities		
Amortised cost	4,407,725	3,877,878

Amortised cost under financial liabilities comprises trade payables and accruals and other payables.

(b) Fair value measurements

Effective January 1, 2009 the Company adopted the amendment to FRS 107 which requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The financial assets and liabilities of the Company comprise trade and other receivables, cash and bank balances and trade and other payables. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

(c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimize potential adverse effects of financial performance of the Company. Each of these risks are summarized below:

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant exposure to market risk for changes in interest rates because it has no interest bearing borrowings from any external sources.

Thinksoft Global Services Pte Ltd., Singapore

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of cash and cash equivalents that is sufficient for working capital purpose.

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

As at statement of financial position date, the Company has no significant concentration of credit risk in relation to any single external receivable.

Cash at bank are placed with a credit worthy financial institution.

The carrying amounts of the Company are other receivables and cash at bank represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

(iv) Foreign currency risk

The Company has no significant exposure to foreign currency risk.

(v) Price risk

The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximizing the return to shareholders through optimization of the capital.

The management's overall strategy remains unchanged from 2008.

14.8 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, there are no FRS and INT FRS that are relevant to the Company issued.

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place : Chennai
Date : April 30, 2010

Chennai
April 30, 2010

THINKSOFT GLOBAL SERVICES INC., USA DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Annual Report together with the audited accounts of Thinksoft Global Services Inc., USA for the year ended March 31, 2010.

Operations

The Company had earned a revenue of Rs. 74,455,483/- during the year under review. The Profit after tax was Rs.6,545,289 /- as against Rs. 563,461/- during the previous year 2008-09.

Directors

Mr. A.V.Asvini Kumar and Ms. Vanaja Arvind continue as Directors of the Company.

Directors' responsibility statement

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they had prepared the annual accounts on a going concern basis.

Conservation of energy, Technology absorption and foreign exchange

The operations do not warrant high energy consumption. The Company has not carried out any specific R&D activity. The Company carries on its business outside India and hence all the income and expenditures are Foreign Exchange earnings and outgo only.

Employee particulars in terms of Section 217(2A) of the Companies Act, 1956

The Department of Company Affairs has amended the Companies (Particulars of Employees) Rules 1975 to the effect that particulars of employees engaged in Information technology sector posted and working outside India, not being directors or their relatives, drawing more than Rs. 24 Lakhs per financial year or Rs. 2 Lakhs per month, as the case may be, need not be included in the statement. Since all the employees are working outside India, the statement under Section 217(2A) has not been enclosed.

For and on behalf of the Board of Directors

A.V.Asvini Kumar
Director

Place : Chennai

Date : April 30, 2010

Auditor's Report

for the year ended March 31, 2010 on Translated Financial Statements of Thinksoft Global Services Inc., USA

To

The Board of Directors,

Thinksoft Global Services Limited

1. We have verified the annexed translated Balance Sheet as at 31st March 2010 of Thinksoft Global Services Inc, USA and the Profit and Loss Account for the year ended on that date, so as to have them properly drawn up in accordance with the requirements of the Indian Companies Act, 1956 in the manner so required, from the audited accounts certified by the statutory auditors, whose report is attached with the accounts.
2. We have relied on the financial statements of Thinksoft Global Services Inc., USA and the report and statement certified by Balachandar Jayaraman CPA LLC, New Jersey. These financial statements have been audited by Balachandar Jayaraman CPA LLC, New Jersey whose report has been furnished to us and our opinion is solely based on their report.
3. These financial statements are the responsibility of the Company's management. Our responsibility is to ensure the correctness of presentation in accordance with the Companies Act, 1956. The said accounts have been prepared for the limited purpose of filing report u/s 212 of the Companies' Act 1956.
4. With respect to matters required to be reported under the Companies Auditors Report Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, since the records of the Company are being kept at Thinksoft Global Services Inc. USA, and as our report is solely based on the report of Balachandar Jayaraman CPA LLC, New Jersey, we are not in a position to comment on the matters required to be reported under the said Order.
5. Further to our comments referred to in paragraph 4 above, we state that:

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 and give a true and fair view

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- b. In the case of the Profit & Loss Account, of the profit for the year ended on that date.

For A. Murali & Associates
Chartered Accountants,

A. Murali

Proprietor

Membership No : 022733

Firm No : 007041S

Place : Chennai

Date : April 30, 2010

Thinksoft Global Services Inc, USA
Financial Statements for the year ended March 31, 2010

Balance Sheet as at 31st March 2010
(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	4,625,400	4,625,400
Reserves and surplus	2	7,966,550	1,421,261
		12,591,950	6,046,661
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	3	-	-
Less : Accumulated depreciation		-	-
Net block		-	-
Current Assets, Loans and Advances			
Sundry debtors	4	5,937,896	-
Cash and bank balances	5	17,712,314	18,141,819
Other current assets	6	-	-
Loans and advances	7	417,080	2,702,977
		24,067,290	20,844,796
Less : Current Liabilities and Provisions			
Current Liabilities	8	7,836,243	14,746,777
Provisions		3,639,097	51,358
Net current assets		12,591,950	6,046,661
		12,591,950	6,046,661
Notes to Accounts	14		

The schedules referred to above and the notes on accounts form an integral part of the Balance Sheet

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place :Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Inc, USA
Financial Statements for the year ended March 31, 2010

Profit and Loss Account for the period ended March 31, 2010
(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Software Services	9	74,455,483	25,731,709
Other income	10	-	377,842
		74,455,483	26,109,551
EXPENDITURE			
Personnel expenses	11	44,841,088	16,082,094
Operating and other expenses	12	19,331,307	9,405,137
Financial expenses	13	5,839	-
		64,178,234	25,487,231
Profit before tax		10,277,249	622,321
Provision for tax			
- Current tax		3,731,960	58,860
Total Tax Expense		3,731,960	58,860
Profit after tax		6,545,289	563,461
Balance brought forward from previous year		1,421,261	857,800
Profit available for appropriation		7,966,550	1,421,261
Surplus carried to Balance Sheet		7,966,550	1,421,261
Notes to Accounts	14		

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place :Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services Inc, USA
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
1. Share capital		
Paid Up Capital	4,625,400	4,625,400
3,000 (Previous year 3,000) equity shares of us \$ 0.01/- each		
The whole of share capital is held by Thinksoft Global Services Ltd, Holding Company, Chennai		
2. Reserves and surplus		
Profit and Loss Account		
Balance in Profit and Loss Account	7,966,550	1,421,261
	7,966,550	1,421,261
4. Sundry debtors (Unsecured)		
Considered Good		
Debts outstanding for a period exceeding six months	-	-
Other debts	5,937,896	-
	5,937,896	-
5. Cash and bank balances		
Cash on hand	-	-
Balances with scheduled banks	-	-
Balances with non-scheduled banks:-	-	-
in current account - HSBC, USA	17,712,314	18,141,819
	17,712,314	18,141,819
7. Loans and advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	187,004	404,860
Prepaid expenses	130,769	186,836
Deposits	99,308	112,090
Other Advances	-	1,999,191
	417,080	2,702,977
8. Current Liabilities and Provisions		
Current liabilities		
Other liabilities		
provision for expenses	3,957,965	1,815,302
Others	3,858,462	12,931,475
Others advances	19,816	-
	7,836,243	14,746,777
Provisions		
Provision for taxation (net of advance tax payments)	3,639,097	51,358
	3,639,097	51,358
	11,475,341	14,798,135

Thinksoft Global Services Inc, USA
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

	Year Ended March 31, 2010	Year Ended March 31, 2009
9. Software Services		
Domestic Sales	74,455,483	25,731,709
	74,455,483	25,731,709
10. Other income		
Exchange gain (Net)	-	377,842
	-	377,842
11. Personnel Expenses		
Salaries, Bonus and allowances	41,577,939	16,082,094
Contribution to provident and other funds	3,263,149	-
	44,841,088	16,082,094
12. Operating and other expenses		
Consultancy charges	2,204,062	-
Travel expenses	11,374,890	3,444,192
Rent	540,911	743,272
Insurance	853,857	335,298
Repairs & Maintenance - buildings	125,011	71,110
Communication expenses	266,275	53,030
Audit Fees	323,610	492,225
Marketing and selling expenses	626,692	702,191
Rates and taxes	89,788	17,994
Training and recruitment	33,570	1,458,675
Professional fees	2,037,537	2,087,150
Exchange loss (Net)	855,104	-
	19,331,307	9,405,137
13. Financial expenses		
Bank charges	5,839	-
	5,839	-

Thinksoft Global Services Inc, USA

Financial Statements for the year ended March 31, 2010
(All amounts are in Indian Rupees, unless otherwise stated)
Schedules to the Financial Statements

14. NOTES ON ACCOUNTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements. In the preparation of translated financial statements of Thinksoft Global Services Inc, United States of America for the year ended March 31st, 2010, Audited accounts certified by Statutory Auditor (Balachandar Jayaraman CPA LLC, United States of America) has been regrouped and reclassified in accordance with the requirements of Indian Companies Act, 1956 in the manner so required in Indian Rupees equivalent to US Dollars and Previous year figures has been reclassified and regrouped wherever necessary to conform to the current period classification.

The accounts are maintained on accrual basis. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Income and expenditure transactions are recognized at the rate on transaction date / average rate applicable for the year. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences on account of conversion are recognized as income or as expenses in the year in which they arise.

14.1 Organisation

Thinksoft Global Services, Inc. (Thinksoft/Company) was incorporated on April 29, 2002 in the State of Delaware. Thinksoft is a wholly owned subsidiary of Thinksoft Global Services Limited a public limited corporation in India. Thinksoft is a software service firm that provides software validation and verification services to the Banking and Financial Services industry located throughout the United States.

14.2 Summary of significant Accounting Policies

This summary of significant accounting policies of Thinksoft Inc is presented to assist in understanding the Company's financial statements, the financial statements and notes are representations of the Company's management who are responsible for their Integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been-consistently applied in the preparation of the financial statements.

a) Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting, whereby Revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables. Payables and other liabilities are reflected.

b) 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 contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period, Actual events and results could differ from those assumptions and estimates.

c) Accounts Receivable

Trade-accounts receivables are stated at net of allowance, for doubtful accounts. The Company establishes an allowance for uncollectable trade accounts based on historical Collection experience and management's evaluation of collectability of outstanding accounts receivable.

Thinksoft Global Services Inc, USA

Financial Statements for the year ended March 31, 2010
(All amounts are in Indian Rupees, unless otherwise stated)
Schedules to the Financial Statements

d) Revenue Recognition

The Company generates revenue from professional services rendered. Revenues recognized as services are performed with the corresponding cost of providing those services reflected as cost of sales. Billings to customers for out-of-pocket expenses are recorded as reduction in expenses incurred. Unbilled services represent revenue for services performed but not yet billed until the subsequent period. Advances received prior to providing services recognized as revenue when services are performed.

e) Income Taxes

The Company provides for income taxes on the basis of United States generally accepted Accounting principles (as codified by Financial Accounting Standard Board) which requires recognition of deferred taxes based on the differences between the financial statement and the tax bases of assets and liabilities at enacted, rates in effect in, the years in which the differences are expected to reverse, Valuation allowances will be established when necessary to reduce deferred tax assets to the amount expected to be realized.

14.3 Cash and Cash Equivalents

The Company maintains its cash accounts at banks, which are guaranteed by the FDIC up to \$250,000. As of March 31, 2010 and 2009 the Company's uninsured cash balance are as follows!

	2010	2009
	In Rs.	In Rs.
Carrying- Value per Bank Statement	18,305,173	20,373,173
Portion insured by FDIC	11,285,000	12,737,500
Portion uninsured by FDIC	7,020,173	7,635,673

Risk to the Company for the uninsured cash balances is considered minimal.

14.4 Accounts Receivable

As of March 31, 2010, trade accounts receivable included billing done for one customer the amount of Rs.5,169,433. In addition, accounts receivable also include Rs.768,463 billed to another customer. In comparison, trade accounts receivable as of March 31, 2009 was offset against Accounts Payable to Thinksoft Global, resulting in zero accounts receivable balance as of the previous year.

14.5 Loans & Advances

The Company advances salary to employees to meet their expenses during relocation or temporary assignments away from their home location. These advances are adjusted when the employee's expense bills are submitted or salary advances are repaid by the employees. As of March 31, 2010 and 2009, loans & advances amounted to Rs.187,004 and Rs.2,404,052 respectively. These advances bear no interest.

Thinksoft Global Services Inc, USA

Financial Statements for the year ended March 31, 2010
(All amounts are in Indian Rupees, unless otherwise stated)
Schedules to the Financial Statements

14.6 Prepaid expenses

Prepaid expenses are primarily composed of insurance expenses which are paid in advance of the coverage period rent that has been paid in advance, and other miscellaneous expenses paid in advance such as telecommunication. As of March 31, 2010 and 2009 Prepaid Expenses consisted of the following:

	2010	2009
	Rs.	Rs.
Prepayment for Insurance	66,581	115,300
Prepayment for Rent	47,171	71,483
Prepayment for R&M	2,798	-
Prepayment for Telephone	14,219	-
Total	130,169	186,836

14.7 Security Deposit

The Company has a total security deposit of Rs.99,308 as of March 31, 2010 and 2009.

14.8 Accounts Payable

General Accounts Payable includes miscellaneous dues. As of March 31, 2010 and 2009, the balances amount to Rs.19, 816 and Nil respectively,

Accounts Payable - Affiliate consists of balances due to Thinksoft Global Services Ltd for services tendered by Thinksoft Global as well as collections by Thinksoft Inc on behalf of Thinksoft Global. As of March 31, 2010 and 2009 Accounts Payable Affiliate Amounted to Rs.3,858,462 and Rs.12,931,475 respectively,

14.9 Accrued Expenses

Accrued expenses include professional fees for services rendered, travel and immigration related expenses incurred during the year. As of March 31, 2010 and 2009, Accrued Expenses amounted to Rs. 3,957,965 and Rs. 1,815,302 respectively.

14.10 Accrued Income Taxes

Accrued Income Taxes consist of federal and state corporate income taxes owed by the Company less the amount of estimated tax payments made during the year. As of March 31, 2010 and 2009, they amounted to Rs. 3,639,097 and Rs. 51,358 respectively.

14.11 Stockholders' Equity

During the years ended March 31st, 2010 and 2009, parent Company Thinksoft Global did not contribute any additional funds to equity.

14.12 Related Party Transactions

Thinksoft Global, the parent company of Thinksoft, provides technical and management know how in the form of human resources, technical literatures, training and implementation of projects. For the years ended March 31, 2010 and 2009, Thinksoft Global billed Rs.2,883,950 and Nil for the marketing and travel related expenses to Thinksoft Inc.

Thinksoft Global did not provide any consultants for onsite/offshore services for the years ended March 31, 2010 and 2009.

Accounts Payable due to Thinksoft Global as of March 31, 2010 and 2009 are Rs. 3,858,462 and Rs. 12,931,475 respectively. The amounts due are paid back to the parent company periodically in the ordinary course of business, depending on the cash flow availability.

14.13 Income Tax

The Company files income tax returns in the U.S. federal and various state jurisdictions. The Company incurred Rs. 1,772,196 and Rs. 3,731,960 in income tax expense for the periods three months and one year ended March 31, 2010, and Rs.58,560 for the one year ended March 31,2009. Deferred tax liability or asset does not exist as of the years ended of March 31, 2010 and 2009, since there are no temporary differences between GAAP financial Statements and accrual basis income tax returns.

14.14 Operating Lease

The Company conducts its administrative activities out of facilities that are leased under a short term lease. Rent expenses incurred for the periods three months and one year ended March 31,2010 were Rs.1,31,252 and Rs.540,911 respectively, and Rs. 743,272 for the one year ended March 31, 2009.

14.15 Compensated Absences

Compensated absences for vacation pay, sick pay and personal time have not been Accrued since they cannot be reasonably estimated. The Company's policy is to recognize these costs when actually paid.

14.16 Concentrations

Thinksoft earned 70 % of its sales revenue (Rs. 75,455,483) for the year ended March 31, 2010 from a single customer. In comparison Thinksoft earned 100 % of its sales revenue (Rs. 25,731,709) for the year ended March 31, 2009 also from other single customer. Per Customer requirement, Thinksoft Global bills the customer for combined services provided by Thinksoft and Thinksoft Global. The Company estimates that the allowance for doubtful accounts is not required, as they are able to collect the receivable on a timely basis.

Management was actively pursuing marketing activities in the USA in order to obtain new contracts. As a result, during the fiscal year, of 2009-10, the sales and gross margins Increased substantially.

The Company maintains its cash in a bank deposit account located in New York, which, at times, may exceed federally insured limit of \$'250,000. The Company has not experienced any losses in the account. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of March 31, 2010 and 2009 the Company's uninsured cash balances were Rs. 7,020,173 and Rs. 7,635,673 respectively. (as shown in Note 14.3)

14.17 Foreign Operations

Thinksoft Global, the parent company, provides support services to the Thinksoft customers in the USA and bills Thinksoft at the agreed upon rates in US dollars for time spent and expenses incurred.

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place : Chennai
Date : April 30, 2010

Chennai
April 30, 2010

THINKSOFT GLOBAL SERVICES (EUROPE) GmbH DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Fifth Annual Report together with the audited accounts of Thinksoft Global Services (Europe) GmbH, Germany for the year ended March 31, 2010.

Operations

The Company had earned a revenue of Rs.9,583,934/- during the year under review. The Profit after tax was Rs.1,629,693/- as against Rs.100,464/- during the previous year 2008-09.

Directors

Ms.Vanaja Arvind continues to be the Director of the Company.

Directors' responsibility statement

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they had prepared the annual accounts on a going concern basis.

Auditors

M/s Gotz, Staudt & Nunke, Germany are the Auditors of the Company.

Conservation of energy, Technology absorption and foreign exchange

The operations do not warrant high energy consumption. The Company has not carried out any specific R&D activity. The Company carries on its business outside India and hence all the income and expenditures are Foreign Exchange earnings and outgo only.

Employee particulars in terms of Section 217(2A) of the Companies Act, 1956

The Department of Company Affairs has amended the Companies (Particulars of Employees) Rules 1975 to the effect that particulars of employees engaged in Information technology sector posted and working outside India, not being directors or their relatives, drawing more than Rs.24 Lakh per financial year or Rs.2 Lakh per month, as the case may be, need not be included in the statement. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India.

For and on behalf of the Board of Directors

Vanaja Arvind
Director

Place : Chennai

Date : April 30, 2010

Auditor's Report

for the year ended March 31, 2010 on Translated Financial Statements of Thinksoft Global Services (Europe) GmbH, Germany.

To
The Board of Directors,
Thinksoft Global Services Limited

1. We have verified the annexed translated Balance Sheet as at 31st March 2010 of Thinksoft Global Services (Europe) GmbH, Germany and the Profit and Loss Account for the year ended on that date, so as to have them properly drawn up in accordance with the requirements of the Indian Companies Act, 1956 in the manner so required, from the audited accounts certified by the statutory auditors, whose report is attached with the accounts.
2. We have relied on the financial statements of Thinksoft Global Services (Europe) GmbH, Germany and the report and statement certified by Gotz, Staudt & Nunke, Germany. These financial statements have been audited by Gotz, Staudt & Nunke, Germany whose report has been furnished to us and our opinion is solely based on their report.
3. These financial statements are the responsibility of the Company's management. Our responsibility is to ensure the correctness of presentation in accordance with the Companies Act, 1956. The said accounts have been prepared for the limited purpose of filing report u/s 212 of the Companies' Act 1956.
4. With respect to matters required to be reported under the Companies Auditors Report Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, since the records of the Company are being kept at Thinksoft Global Services (Europe) GmbH, Germany and as our report is solely based on the report of Gotz, Staudt & Nunke, Germany we are not in a position to comment on the matters required to be reported under the said Order.
5. Further to our comments referred to in paragraph 4 above, we state that;

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 and give a true and fair view

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- b. In the case of the Profit & Loss Account, of the profit for the year ended on that date.

For A. Murali & Associates
Chartered Accountants,

A. Murali

Proprietor
Membership No : 022733
Firm No : 007041S

Place : Chennai
Date : April 30, 2010

Thinksoft Global Services (Europe) GmbH, Germany
Financial Statements for the year ended March 31, 2010

Balance Sheet as at 31st March 2010

(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	2,714,774	2,714,774
Reserves and surplus	2	914,878	-
		3,629,652	2,714,774
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	3	-	-
Less : Accumulated depreciation		-	-
Net block		-	-
Current Assets, Loans and Advances			
Sundry debtors	4	2,750,864	2,596,028
Cash and bank balances	5	7,624,654	1,151,230
Other current assets	6	-	-
Loans and advances	7	-	14,171
		10,375,518	3,761,429
Less : Current Liabilities and Provisions			
Current Liabilities	8	6,443,066	1,761,470
Provisions		302,800	-
Net current assets		3,629,652	1,999,959
Profit and Loss Account	2	-	714,815
		3,629,652	2,714,774
Notes to Accounts	14		

The schedules referred to above and the notes on accounts form an integral part of the Balance Sheet

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place : Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services (Europe) GmbH, Germany
Financial Statements for the year ended March 31, 20100

Profit and Loss Account For the period ended March 31,2010
(All amounts are in Indian Rupees, unless otherwise stated)

	Schedules	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Software Services	9	9,583,934	2,173,446
Other income	10	-	94,283
		9,583,934	2,267,729
EXPENDITURE			
Personnel expenses	11	4,672,160	1,103,393
Operating and other expenses	12	2,962,104	1,048,323
Financial expenses	13	19,554	15,549
		7,653,818	2,167,265
Profit before tax		1,930,116	100,464
Provision for tax			
- Current tax		300,423	-
Total Tax Expense		300,423	-
Profit after tax		1,629,693	100,464
Balance brought forward from previous year		(714,815)	(815,279)
Profit available for appropriation		914,878	(714,815)
Surplus carried to Balance Sheet		914,878	(714,815)
Notes to Accounts	14		

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Place : Chennai
Date : April 30, 2010

Chennai
April 30, 2010

Thinksoft Global Services (Europe) GmbH, Germany
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	As at March 31, 2010	As at March 31, 2010
1. Share capital		
Paid Up Capital	2,714,774	2,714,774
Euro 50,000 (Previous Year - Euro 50,000) Fully Paid up		
The whole of share capital is held by Thinksoft Global Services Ltd, Holding Company, Chennai		
2. Reserves and surplus		
Profit and Loss Account		
Balance in Profit and Loss Account	9,14,878	(714,815)
	9,14,878	(714,815)
4. Sundry debtors (Unsecured)		
Considered Good		
Debts outstanding for a period exceeding six months	-	-
Other debts	2,750,864	2,596,028
	2,750,864	2,596,028
5. Cash and bank balances		
Cash on hand	-	-
Balances with Scheduled Banks		
Balances with non-scheduled banks :-		
in current account - Dresdner, Germany	7,624,654	1,151,230
	7,624,654	1,151,230
7. Loans and advances (Unsecured and considered good)		
Prepaid expenses	-	14,171
	-	14,171
8. Current Liabilities and Provisions		
Current liabilities		
Sundry creditors		
(i) Dues of Micro, Small & Medium Enterprises	-	-
(ii) Dues of Other Creditors	286,941	327,063
Other liabilities		
provision for expenses	592,107	541,549
withholding and other taxes payable	1,893,579	412,694
Others	3,670,439	480,164
	6,443,066	1,761,471
Provisions		
Provision for taxation (net of advance tax payments)	302,800	-
	302,800	-
9. Software Services		
Domestic Sales	9,583,934	2,173,446
	9,583,934	2,173,446
10. Other income		
Exchange gain (Net)	-	94,283
	-	94,283

Thinksoft Global Services (Europe) GmbH, Germany
Financial Statements for the year ended March 31, 2010

Schedules to the Financial Statements

(All amounts are in Indian rupees, unless otherwise stated)

	Year Ended March 31, 2010	Year Ended March 31, 2009
11. Personnel expenses		
Salaries, Bonus and allowances	3,846,444	1,103,393
Contribution to provident and other funds	825,716	-
	4,672,160	1,103,393
12. Operating and other expenses		
Travel expenses	504,746	653,972
Audit Fees	154,025	94,889
Sales Commission (Other than sole selling agent)	618,262	-
Marketing and selling expenses	702,496	-
Professional fees	568,160	280,568
Exchange loss (Net)	400,517	-
Miscellaneous expenses	13,898	18,894
	2,962,104	1,048,323
13. Financial expenses	19,554	15,549
Bank charges	19,554	15,549

Thinksoft Global Services (Europe) GmbH, Germany

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

13. NOTES ON ACCOUNTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements. In the preparation of translated financial statements of Thinksoft Global Services (Europe) GmbH, Germany for the year ended March 31st, 2010, Audited accounts certified by Statutory Auditor (Gotz, Staudt & Nunke, Germany) has been regrouped and reclassified in accordance with the requirements of Indian Companies Act, 1956 in the manner so required in Indian Rupees (Rs.) equivalent to Euro (€) and Previous year figures has been reclassified and regrouped wherever necessary to conform to the current period classification.

The accounts are maintained on accrual basis. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Income and expenditure transactions are recognized at the rate on transaction date / average rate applicable for the year. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences on account of conversion are recognized as income or as expenses in the year in which they arise

14.1 Notes to Organisation

At the balance sheet date the Company is a small company in the sense of Sec.267 of the Commercial Code (HGB).

The applied accounting and valuation policies are consistent with the regulations of the German Commercial Code.

For the presentation of the statement of income the cost summary method is applied.

In particular the following principles were applied:

Receivables and other assets are stated at face value less necessary specific bad debt reserves.

Other accrued liabilities are set up for any uncertain liabilities in the amount necessary according to reasonable business judgement. Accounts payable are stated at their repayment value.

Receivables in foreign currencies are translated at the lower of the historical rate or the exchange rate at the balance sheet date. Liabilities in foreign currencies are translated at the higher of the historical rate or the exchange rate at the balance sheet date, where as secured amounts have been considered.

14.2 Notes to the Balance sheet and the Income and Loss Statement

The development of the accumulated profit / (deficit) is as follows:

	2009-2010	2008-2009
	Rs.	Rs.
Accumulated loss at the beginning of the year	(714,815)	(815,279)
Net income for the year	1,629,693	100,464
Accumulated profit/ (deficit) at the end of the year	914,878	(714,815)

Other accrued liabilities contain mainly expenses for the preparation of the financial statements and outstanding invoices.

Thinksoft Global Services (Europe) GmbH, Germany

Financial Statements for the year ended March 31, 2010

(All amounts are in Indian rupees, unless otherwise stated)

Schedules to the Financial Statements

14.3 Other Notes

1. Number of employees

The average number of employees in the year reported on is as follows:

General Manager	1
Sales	2

2. Members of the Company's management

The following person was general manager in the fiscal year:

Mrs. Vanaja Arvind, Chennai - 600 004, India

Applying section 286 para. 4 of the Commercial Code the statement with respect to the remuneration to the members of the management in the reporting period 2007/08 is waived.

3. Parent company

Thinksoft Global Services (Europe) GmbH is a 100 % subsidiary of Thinksoft Global Services Ltd., Chennai 600 041, Tamil Nadu, India.

The parent company which prepares consolidated financial statements for the largest group of affiliated companies is Thinksoft Global Services Ltd., Chennai 600 041, Tamil Nadu, India. These consolidated financial statements are available at the premises of the parent company.

14.4 Management suggestion for Appropriation of the Result

The management suggests to the shareholders meeting to carry forward the accumulated profit as of March 31, 2010, in the amount of Rs. 914,878 to the next fiscal year.

As per our report of even date

A. Murali & Associates
Chartered Accountants

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

A. Murali
Proprietor
Membership No : 022733
Firm No : 007041S

A. V. Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S.Akila
Company Secretary

Chennai
Date : April 30, 2010

**VIEW OF THE DELIVERY CENTRE AT VSI ESTATE,
THIRUVANMIYUR, CHENNAI**



**VIEW OF THE DELIVERY CENTRE AT TIDEL PARK, CHENNAI
(AT 'C' BLOCK 7 th FLOOR)**

A VIEW OF THE FRONT OFFICE



A SECURED CLIENT DELIVERY MODULE





ARTIST'S VIEW OF PROPOSED FACILITY AT MEPZ, CHENNAI

THINKSOFT GLOBAL SERVICES LTD

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