

135819 / 136
OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law

☐ What this form is NOT for
You cannot use this form for
an alteration of manner of
with accounting requirements

FRIDAY



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06/07/2012

#152

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

INTELENET GLOBAL SERVICES PRIVATE LIMITED

UK establishment
number

B R O O B 5 1 9

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited

Legislation ②

INDIAN COMPANIES ACT 1956

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3

③ Please insert the name of the
appropriate accounting organisation
or body

Name of organisation
or body ③

INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

A3 Accounts

Accounts

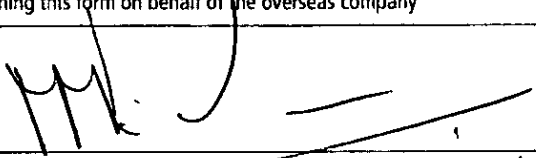
Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

OS AA01

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| | |
|---|---|
| A4 Audited accounts | |
| Audited accounts | <p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box</p> <p><input type="checkbox"/> No Go to Part 3 'Signature'</p> <p><input type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'</p> |
| Name of organisation or body ^① | <p>INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA</p> |
| A5 Unaudited accounts | |
| Unaudited accounts | <p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes.</p> |
| Part 3 Signature | |
| Signature | <p>I am signing this form on behalf of the overseas company</p> <p>Signature</p> <p>X  X</p> <p>This form may be signed by Director, Secretary, Permanent representative</p> |

OS AA01

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



Important information

Please note that all this information will appear on the public record



Where to send

You may return this form to any Companies House address

England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Deloitte Haskins & Sells

Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai 400 018
India

Tel + 91 (22) 6667 9000
Fax + 91 (22) 6667 9025

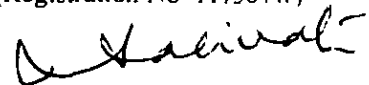
AUDITORS' REPORT TO THE MEMBERS OF INTELENET GLOBAL SERVICES PRIVATE LIMITED

- 1 We have audited the attached Balance Sheet of **Intelenet Global Services Private Limited** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 - 2 We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - 3 As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account,
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
-

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- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date
- 5 On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No 117364W)



R Salivati
Partner
(Membership No 34004)

MUMBAI, 12th May 2010

Deloitte Haskins & Sells

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

- (i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (vi), (viii), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable
 - (ii) In respect of its fixed assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company
 - (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us
 - (a) The Company had granted loan of Rs 37,500,000 to a director during the previous year. At the year-end, the outstanding balance of such loan aggregated Rs 35,000,000 and the maximum amount involved during the year was Rs 37,500,000
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations
 - (d) There are no overdues in respect of principal or interest
-

Deloitte Haskins & Sells


- (e) According to the information and explanations given to us, the Company has not taken loans from companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, requirements of sub clauses (e) to (g) of clause 4 (iii) of the Order are not applicable.
 - (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system. There is no purchase of inventory and sale of goods.
 - (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained in pursuance of that section and hence the question of commenting on reasonableness of prices in respect of transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs each does not arise.
 - (vi) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
 - (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
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Deloitte Haskins & Sells

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year

For **DELOITTE HASKINS & SELLS**




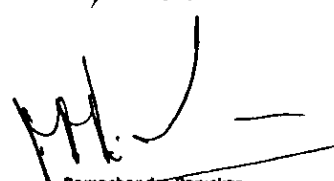

Chartered Accountants
(Registration No 117364W)



R. Salivati
Partner
(Membership No 34004)

MUMBAI, 12th May 2010

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Balance Sheet as at 31st March 2010

| Particulars | Schedule | Rupees | As at 31st March 2010 Rupees | As at 31st March 2009 Rupees |
|--|----------|---------------|---|---|
| SOURCES OF FUNDS | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 1 | | 839,682,350 | 839,682,350 |
| Reserves and Surplus | 2 | | 3,924,087,787 | 1,880,787,793 |
| Loan Funds | | | | |
| Secured Loans | 3 | | 1,665,564,135 | 1,214,814,158 |
| Unsecured Loans | 4 | | 93,469,864 | 498,974,287 |
| TOTAL | | | 6,522,804,136 | 4,434,258,588 |
| APPLICATION OF FUNDS | | | | |
| Fixed Assets | 5 | | | |
| Gross Block | | 3,946,462,719 | | 3,262,861,308 |
| Less Depreciation | | 2,440,014,830 | | 2,077,166,030 |
| Net Block | | 1,506,447,889 | | 1,185,695,278 |
| Capital Work In Progress | | 166,332,579 | | 84,098,922 |
| | | | 1,672,780,468 | 1,269,794,200 |
| Investments | 6 | | 1,728,077,299 | 1,304,099,833 |
| Current Assets, Loans and Advances | | | | |
| Sundry Debtors | 7 | 883,576,330 | | 717,714,974 |
| Cash and Bank Balances | 8 | 496,446,660 | | 710,506,152 |
| Loans and Advances | 9 | 2,818,156,681 | | 2,087,349,463 |
| | | 4,198,179,671 | | 3,515,570,589 |
| Less Current Liabilities and Provisions | | | | |
| Current Liabilities | 10 | 935,225,248 | | 1,569,094,124 |
| Provisions | 11 | 141,008,054 | | 86,111,910 |
| | | 1,076,233,302 | | 1,655,206,034 |
| Net Current Assets | | | 3,121,946,369 | 1,860,364,555 |
| TOTAL | | | 6,522,804,136 | 4,434,258,588 |
| Significant Accounting Policies | 17 | | | |
| Notes forming part of the Accounts | 18 | | | |
| Schedules referred to above and notes thereon form an integral part of the Balance Sheet And Profit & Loss Account | | | | |
| As per our report of even date attached | | | | |
| For Deloitte Haskins & Sells Chartered Accountants | | | For and on behalf of the Board | |
|  | | |  |  |
| R Sallivas Partner | | | Supir Kumar M CEO & Managing Director | Amit Dixit Director |
| | | |  |  |
| | | | Ramachandra Panicker Chief Financial Officer | Abhay Telang Company Secretary |
| Mumbai Date 12 May 2010 | | | | |

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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Profit and Loss Account for the Year ended 31st March 2010

| | Schedule | Rupees | Current Year Rupees | Previous Year Rupees |
|---|----------|--------|------------------------|-------------------------|
| INCOME | | | | |
| Income from BPO Services | | | 6,320,494,688 | 5,903,614,900 |
| Other Income | 12 | | 180,743,225 | 152,989,061 |
| | | | 6,501,237,913 | 6,056,603,961 |
| EXPENDITURE AND CHARGES | | | | |
| Staff Expenses | 13 | | 2,971,547,109 | 2,643,611,922 |
| Establishment Expenses | 14 | | 966,273,819 | 849,982,820 |
| Administrative, Selling & Other Expenses | 15 | | 887,042,941 | 1,078,097,430 |
| Interest and Other Charges | 16 | | 95,013,368 | 124,658,634 |
| Depreciation | | | 391,470,555 | 447,915,295 |
| | | | 5,311,347,792 | 5,144,266,101 |
| Profit before tax | | | 1,189,890,121 | 912,337,860 |
| Provision for tax | | | - | - |
| Current tax (including Foreign taxes and Short provision of foreign taxes in respect of earlier year Rs 15,533,063/) | | | 227,683,787 | 101,500,000 |
| Wealth tax | | | 66,891 | 33,451 |
| Fringe benefit tax | | | - | 22,680,000 |
| Deferred tax | | | - | - |
| | | | 227,750,678 | 124,213,451 |
| Profit after tax | | | 962,139,443 | 788,124,409 |
| Add: Excess Provision for Income Tax of earlier years written back | | | - | 459,707 |
| Net Profit | | | 962,139,443 | 788,584,116 |
| Balance brought forward from Previous Year | | | 1,479,844,245 | 688,146,153 |
| Add: Credit on account of transitional provisions under Accounting Standard 30 (Refer note 12 (2) of Schedule 18) | | | - | 3,113,976 |
| | | | 1,479,844,245 | 691,260,129 |
| Amount available for appropriation | | | 2,441,983,688 | 1,479,844,245 |
| Appropriations | | | | |
| Balance Carried to Balance Sheet | | | 2,441,983,688 | 1,479,844,245 |
| | | | 2,441,983,688 | 1,479,844,245 |

EARNINGS PER SHARE (Face Value Rs 10)

(Refer note 13 of schedule 18)

| | | |
|-----------------|-------|-------|
| Basic & Diluted | 11.46 | 10.09 |
|-----------------|-------|-------|

 Significant Accounting Policies 17
 Notes forming part of the Accounts 18

Schedules referred to above and notes thereon form an integral part of the Balance Sheet And Profit & Loss Account

As per our report of even date attached

 For Deloitte Haskins & Sells
 Chartered Accountants

 R Salivati
 Partner

 Syair Kumar M.
 CEO & Managing Director

For and on behalf of the Board

 Amit Dixit
 Director

 Mumbai
 Date 12 May 2010

 Ramachandra Panickar
 Chief Financial Officer

 Abhay Telang
 Company Secretary

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Cash Flow Statement for the Year ended 31st March 2010

| Particulars | Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| Cash Flow from Operating Activities | | |
| Net Profit before tax | 1,189,890,121 | 912,337,860 |
| Adjustments for: | | |
| Depreciation | 391,470,555 | 447,915,295 |
| Interest and Other Charges | 95,013,368 | 124,658,634 |
| Provision for Doubtful Debts | - | 20,353,850 |
| Advances written off | 3,770,586 | - |
| Fixed assets written off | 5,183,984 | 6,745,442 |
| (Profit)/Loss on Sale / Disposal of Fixed Assets | (977,662) | (5,968,435) |
| Bad Debts written off | 12,264,418 | - |
| Provision for Doubtful debts written back | (12,264,418) | - |
| Provision for leave encashment | 18,293,732 | - |
| Provision for Advances written back | (2,782,878) | - |
| Net Unrealised Exchange Loss / (Gain) | (33,378,293) | 168,546,460 |
| Interest Income | (89,097,824) | (69,112,238) |
| Operating profit before working capital changes | 1,577,385,689 | 1,605,476,868 |
| Decrease/(Increase) in Sundry Debtors | (183,197,270) | 291,968,560 |
| Increase in Loans and Advances | (672,455,717) | (828,732,180) |
| Increase in Creditors / Other Liabilities | 262,126,588 | 113,550,335 |
| Cash from Operations | 983,859,289 | 1,182,263,583 |
| Income Tax paid | (187,775,743) | (98,451,794) |
| Net Cash from Operating Activities | 796,083,546 | 1,083,811,789 |
| Cash Flows from Investing Activities | | |
| Purchase of Fixed Assets (incl CWIP) | (800,335,579) | (250,703,143) |
| Proceeds from Sale / Disposal of Fixed Assets | 1,623,439 | 13,552,866 |
| Investments in Subsidiaries | (423,977,466) | (221,766,073) |
| Interest Received | 72,276,969 | 46,177,205 |
| Net Cash used in Investing Activities | (1,150,412,637) | (412,739,145) |
| Cash Flows from Financing Activities | | |
| Proceeds from Equity Share Capital | - | 399,999,979 |
| Proceeds from Long Term Loans / ECB (Net) | 141,986,487 | 72,301,301 |
| Repayment of Long Term Loans / Hire Purchase | - | (293,266) |
| (Repayment)/ Proceeds of Short Term Loans (Net) | 77,641,415 | (432,897,831) |
| Interest paid | (93,151,043) | (130,478,408) |
| Net Cash used in Financing Activities | 126,476,859 | (91,368,225) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (227,852,232) | 579,704,419 |
| Cash and Cash equivalents at the beginning of the year | 722,008,574 | 142,304,155 |
| Cash and Cash equivalents at the end of the year | 494,156,342 | 722,008,574 |
| Reconciliation of Cash and Cash Equivalents | | |
| As per Balance Sheet Schedule No. 8 | 496,446,660 | 710,506,152 |
| Less: Interest Accrued on Bank Deposits | 14,167,289 | 376,231 |
| Less: FD / Margin Money Deposit | 6,603,492 | 6,344,828 |
| Sub Total | 475,675,879 | 703,785,093 |
| Effect of exchange rate changes | 18,480,463 | 18,223,481 |
| Cash & Cash Equivalents, as restated | 494,156,342 | 722,008,574 |

As per our report of even date attached

For: Deloitte Haskins & Sells
Chartered Accountants

Signature

R. Salivati
Partner

Mumbai
Date 12 May 2010

For and on behalf of the Board

Susir Kumar JI
CEO & Managing Director

Amir Dhill
Director

Ramachandra Papalekar
Chief Financial Officer

Abhay Tejas
Company Secretary

26/5/10

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Schedules forming part of the Balance Sheet

| Particulars | Rupees | As at 31st March 2010 Rupees | As at 31st March 2009 Rupees |
|---|--------|------------------------------------|------------------------------------|
| Schedule 1 - Share Capital | | | |
| <u>Authorised</u> | | | |
| 90,000,000 (previous year 90,000,000) | | | |
| Equity shares of Rs 10/- each | | 900,000,000 | 900,000,000 |
| <u>Issued, Subscribed and Paid up</u> | | | |
| 83,968,235 (previous year 83,968,235) | | | |
| Equity shares of Rs 10/- each (All the above shares are held by the holding company SKR BPO Services Private Ltd & its nominees) | | 839,682,350 | 839,682,350 |
| Schedule 2 - Reserves and Surplus | | | |
| <u>Share Premium Account</u> | | | |
| As at the beginning of the Year | | 1,223,662,652 | 901,513,973 |
| Add Received during the year | | - | 322,148,679 |
| | | 1,223,662,652 | 1,223,662,652 |
| Hedging reserve | | 258,441,447 | (822,719,104) |
| {Refer Schedule 17 (o) } | | | |
| <u>Surplus in profit and loss account</u> | | 2,441,983,688 | 1,479,844,245 |
| | | 3,924,087,787 | 1,880,787,793 |
| Schedule 3 - Secured Loans | | | |
| Loans from Banks | | | |
| -HSBC Bank | | 465,272,702 | 698,100,905 |
| - DBS Bank | | 335,398,041 | - |
| - Citi Bank | | 162,044,115 | - |
| Secured by hypothecation of Book Debts, Outstanding Monies, Receivables and Claims Due | | | |
| External Commercial Borrowing | | | |
| -Secured by hypothecation of tangible movable assets | | 702,849,277 | 516,713,253 |
| | | 1,665,564,135 | 1,214,814,158 |
| Schedule 4 - Unsecured Loans | | | |
| Short Term Loans | | | |
| From Banks | | | |
| - DBS Bank | | - | 216,448,601 |
| - Citi Bank | | - | 266,697,257 |
| Overdrawn Bank balance as per books | | | |
| HSBC INR Current Account | | 76,869,232 | 15,576,993 |
| -DBS INR Current Account | | 16,032,991 | - |
| -CITIBANK Delhi INR Current Account | | 567,641 | - |
| HSBC (London) Current Account | | - | 251,436 |
| | | 93,469,864 | 498,974,287 |

Intelenet Global Services Private Limited
Schedules forming part of the Balance Sheet

Schedule 5 Fixed Assets

Rupees

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|---|----------------------|---------------------------|-----------------------------|-----------------------|--------------------|-----------------------------|----------------------|-----------------------|
| | As at 1st April 2009 | Additions/ Adjustments | Deductions / Adjustments | As at 31st March 2010 | For the Year | Deductions / Adjustments | Upto 31st March 2010 | As at 31st March 2009 |
| Owned Assets | | | | | | | | |
| Building (Refer Note 1) | 51,399,292 | | | 51,399,292 | 5,663,199 | 776,369 | 6,439,568 | 45,736,093 |
| Leasehold Improvements | 392,309,311 | 140,360,673 | 892,751 | 531,777,233 | 137,484,210 | 44,796,317 | 182,153,298 | 254,825,101 |
| Data/Voice Processing Equipment | 1,828,998,484 | 305,353,174 | 19,168,688 | 2,115,182,970 | 1,361,762,714 | 221,368,874 | 1,564,221,172 | 467,735,770 |
| Office Equipment | 465,256,606 | 115,510,775 | 5,564,828 | 575,202,553 | 284,805,032 | 63,476,397 | 344,182,488 | 180,451,574 |
| Furniture and Fixtures | 270,757,945 | 56,313,461 | 6,611,577 | 320,479,849 | 98,866,082 | 29,935,581 | 124,434,656 | 171,891,863 |
| Machinery | 61,777,446 | 13,530,766 | 1,900,000 | 73,408,212 | 22,740,776 | 7,107,822 | 28,254,180 | 39,037,170 |
| Motor Cars | 9,460,688 | 6,594,073 | 362,668 | 15,692,093 | 5,716,145 | 1,838,047 | 7,529,948 | 3,744,543 |
| Sub total | 3,079,959,772 | 637,682,942 | 34,500,512 | 3,683,142,202 | 1,916,537,658 | 369,299,407 | 2,257,215,310 | 1,425,926,892 |
| Intangible Assets | | | | | | | | |
| Computer Software | 182,901,536 | 80,418,980 | | 263,320,516 | 160,628,372 | 22,171,148 | 182,799,520 | 22,273,164 |
| Total | 3,262,861,308 | 718,101,922 | 34,500,512 | 3,946,462,718 | 391,470,555 | 38,621,755 | 2,440,014,830 | 1,449,336,223 |
| Previous Year | 3,092,854,780 | 200,066,002 | 30,059,474 | 3,262,861,308 | 1,643,518,559 | 447,915,295 | 1,856,447,888 | 1,185,695,278 |
| Capital Work In Progress (including capital advances) | | | | | | 14,267,822 | 2,077,166,030 | 166,332,579 |
| | | | | | | | | 84,098,922 |

Notes

1 Title deed in respect of Building is in the name of Maharashtra Industrial Development Corporation (MIDC)

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Schedules forming part of the Balance Sheet

| Particulars | Rupees | As at 31st March 2010 Rupees | As at 31st March 2009 Rupees |
|--|--------|------------------------------------|------------------------------------|
| Schedule 6 - Investments | | | |
| <u>In Subsidiary Companies</u> | | | |
| <u>In Equity Shares</u> | | | |
| <u>[Long term, Quoted, Non-trade]</u> | | 150,000,000 | 150 000 000 |
| 8 235 225 [previous year 8 235 225] equity shares of Rs 10 each fully paid up in Sparsh BPO Services Ltd | | | |
| <u>[Long term, Unquoted, Non-trade]</u> | | | |
| 50 000 [previous year 50 000] equity shares of \$ 1 each fully paid-up in Intelenet America Inc. (Refer Note 9 (3) to Schedule 18) | | 2,478 435 | 2 478 435 |
| 5001 [previous year 5 001] equity share of \$ 1 each fully paid-up in Intelenet Inc | | 203,136 | 203 136 |
| 1 942 000 [previous year 25 000] equity shares of GBP 1 each fully paid up in Intelenet UK Ltd | | 142,903,946 | 1 935 650 |
| 132 413 911 [previous year 49 949 565] fully paid Shares of Intelenet Global Philippines Inc par value of PHP 1 per Share. In addition 5 Fully Paid Paid Shares of Capital Stock with par value of PHP 1 per Share are held by 5 Nominees of Intelenet Global Philippines Inc | | 256,226 508 | 173 217 338 |
| 1 427 595 [previous year 1 427 595] ordinary shares of no par value fully paid-up in Snow Holding Company Limited | | 976 265 274 | 976 265 274 |
| (Out of the above Shares, 1 share is held by the Company's nominee Abax Nominees (Mauritius) Ltd. The Company has executed a Pledge for 1 427 595 Fully Paid Ordinary Shares of No Par Value in Favour of ICICI Bank Canada (ICICI) to secure the Loan given) | | | |
| <u>In Preference Shares</u> | | | |
| 20 000 000 [previous year Nil] 8% Non Convertible Cumulative Redeemable Preference Shares Series I of the face value of Rs 10, (Ten Rupees only) each at par in Sparsh BPO Services Ltd | | 200 000,000 | Nil |
| | | 1,728,077,299 | 1 304 099,833 |
| NOTE... | | | |
| 1. Aggregate value of Quoted investments At Cost | | 150 000,000 | 150 000 000 |
| 2. Aggregate value of Quoted investments At Market Value | | 310,879,744 | 188 506 653 |
| 3. Aggregate value of Unquoted investments At Cost | | 1,578,077,299 | 1 154 099 833 |

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Schedules forming part of the Balance Sheet

| Particulars | Rupees | As at 31st March 2010 Rupees | As at 31st March 2009 Rupees |
|---|-------------|------------------------------------|------------------------------------|
| Schedule 7 - Sundry Debtors | | | |
| (Unsecured) | | | |
| Debts outstanding for a period exceeding six months | | 22,779,834 | 34,489,385 |
| Other Debts | | 889,554,081 | 724,247,593 |
| | | 912,333,915 | 758,736,978 |
| Less: Provision | | 28,757,585 | 41,022,004 |
| | | 883,576,330 | 717,714,974 |
| Note | | | |
| Considered Good | | 883,576,330 | 717,714,974 |
| Considered Doubtful | | 28,757,585 | 41,022,004 |
| | | 912,333,915 | 758,736,978 |
| Schedule 8 - Cash and Bank Balances | | | |
| Cash on Hand | | 7,439 | 37,476 |
| <u>Balances with Scheduled Banks</u> | | | |
| in current accounts | 43,203,402 | | 96,479,332 |
| in fixed deposit accounts | | | |
| (Including interest accrued Rs 14,157,289/ (previous year Rs 376,231/) & Margin Money Rs 6,603,492, (previous year Rs 6,344,828/)) | 415,459,948 | 458,663,350 | 424,750,225 |
| in EEFC accounts | | 35,982,708 | 154,895,913 |
| <u>Balance with Others</u> | | | |
| in current account | | | |
| with Citibank - New York | | | |
| (Maximum balance outstanding during the year Rs 99,601/ previous year Rs 47,041/) | 71,982 | | 2,177 |
| with HSBC - US | | | |
| (Maximum balance outstanding during the year Rs 56,437,143/ previous year Rs 42,227,403/) | | | 34,341,029 |
| with HSBC - London | | | |
| (Maximum balance outstanding during the year Rs 15,184,434/ previous year Rs 13,844,924/) | 1,153,669 | | |
| with Citibank, Australia | | | |
| (Maximum balance outstanding during the year Rs 11,960,288/ previous year Rs Nil) | 567,512 | | |
| | | 1,793,163 | 34,343,206 |
| | | 496,446,660 | 710,506,152 |
| Schedule 9 - Loans and Advances | | | |
| (Unsecured) | | | |
| Loans to Subsidiaries | | 1,738,433,560 | 1,315,175,399 |
| (Including loans given Rs 1,158,375,100/ (Previous year Rs 1,030,630,699/) to Private Companies in which Director is also Director) | | | |
| Loans to Managing Director | | 35,000,000 | 37,500,000 |
| (Maximum Balance Outstanding during the year Rs 37,500,000/ (Previous year Rs 37,500,000/)) | | | |
| Loan to Employees | | 15,546,689 | 30,347,682 |
| (Including Interest accrued on Loan Rs 1,558,251/ Previous year Rs 842,239/) | | | |
| Advances recoverable in cash or in kind or for value to be received | | 304,334,022 | 224,897,303 |
| Fair Value of Foreign Exchange Forward Contracts & Options | | 188,200,296 | |
| (Refer Schedule 17 (c)) | | | |
| Deposits | | 512,364,888 | 449,934,732 |
| Advance payment of Income Taxes (Net) | | 34,094,348 | 34,094,347 |
| Advance payment of Fringe Benefit Tax (Net) | | 1,400,000 | 1,400,000 |
| | | 2,821,373,803 | 2,093,349,463 |
| Less: Provision | | 3,217,122 | 6,000,000 |
| | | 2,818,156,681 | 2,087,349,463 |
| Note | | | |
| Considered Good | | 2,818,156,681 | 2,087,349,463 |
| Considered Doubtful | | 3,217,122 | 6,000,000 |
| | | 2,821,373,803 | 2,093,349,463 |

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Schedules forming part of the Balance Sheet

| Particulars | Rupees | As at 31st March 2010 Rupees | As at - 31st March 2009 Rupees |
|---|-------------------|------------------------------------|--------------------------------------|
| Schedule 10 - Current Liabilities | | | |
| Sundry Creditors | | | |
| Total outstanding dues to | | | |
| - Micro & Small Enterprises (Refer Note 19 of Schedule 18) | - | | - |
| - other than Micro & Small Enterprises | 19,798,870 | | 10,323,704 |
| | | 19,798,870 | 10,323,704 |
| Due to Subsidiary Companies | | 96,594,961 | 58,760,288 |
| Liability for Derivative Transactions [Refer Schedule 17 (o)] | | - | 895,200,664 |
| Interest accrued but not due on loans | | 7,001,074 | 5,138,749 |
| Other Liabilities | | 811,830,343 | 599,670,719 |
| | | 935,225,248 | 1,569,094,124 |
| Schedule 11 - Provisions | | | |
| For Income Tax | | 64,366,054 | 24,458,009 |
| For Fringe Benefit Tax (Net) | | 2,580,000 | 2,580,000 |
| For Accumulated compensated absences | | 73,995,109 | 59,040,450 |
| For Wealth Tax | | 66,891 | 33,451 |
| | | 141,008,054 | 86,111,910 |

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Schedules forming part of the Profit and Loss Account

| Particulars | As at 31st March 2010 Rupees | As at 31st March 2009 Rupees |
|---|---|---|
| Schedule 12 - Other Income | | |
| Interest [Gross] on | | |
| Fixed Deposits with Banks | 24,015,464 | 12,754,321 |
| (Tax deducted at source Rs 2,540,750/- previous year Rs 2,952,586/) | | |
| Interest on loans to Staff and others | 1,269,441 | 1,173,806 |
| Interest on Bank Account | 97,995 | - |
| Interest on Loans to Subsidiaries | 63,714,924 | 55,184,111 |
| (Tax deducted at source Rs 4,799,603/ previous year Rs 7,374,265/-) | | |
| | 89,097,824 | 69,112,238 |
| Profit on Sale of Fixed Assets (Net) | 977,662 | 5,968,435 |
| Rent income - Sublease | 73,751,544 | 73,751,544 |
| Compensation Received on termination of Contract | - | 3,161,572 |
| Provision for Doubtful Advances written back | 2,782,878 | - |
| Provision for Doubtful Debts written back | 12,264,418 | - |
| Miscellaneous Income | 1,868,899 | 995,272 |
| | 180,743,225 | 152,989,061 |

INTELENET GLOBAL SERVICES PRIVATE LIMITED
Schedules forming part of the Profit and Loss Account

| Particulars | As at 31st March 2010 Rupees | As at 31st March 2009 Rupees |
|---|------------------------------------|------------------------------------|
| Schedule 13 - Staff Expenses | | |
| Salaries and Incentives [Net of recoveries Rs 13,791,471/ previous year Rs 14,241,081/] | 2,524,325,552 | 2,252,790,356 |
| Contribution to Provident and Other Funds | 115,836,804 | 102,120,759 |
| Staff Welfare Expenses [Net of recoveries Rs 8,062,231/ previous year Rs 4,131,522/] | 256,943,901 | 230,881,725 |
| Recruitment Expenses [Net of recoveries Rs Nil previous year Rs Nil] | 64,494,307 | 43,812,860 |
| Training Expenses [Net of recoveries Rs Nil previous year Rs 1,724,280/] | 9,946,545 | 14,006,222 |
| | 2,971,547,109 | 2,643,611,922 |
| Schedule 14 - Establishment Expenses | | |
| Connectivity Expenses [Net of recoveries Rs 1,111,474/ previous Year Rs 1,043,308/-] | 212,350,926 | 211,125,869 |
| Rent [Net of recoveries Rs 371,249/ previous year Rs 336,000/] | 342,913,955 | 287,988,842 |
| Rates & Taxes | 4,137,856 | 12,572,591 |
| Repairs and Maintenance - Bldg, Leasehold improvements & Furniture | 12,980,569 | 8,927,974 |
| Insurance [Net of recoveries Rs Nil previous year Rs 1,950,000/] | 35,703,354 | 32,043,852 |
| Facility Mgt, Maintenance, Housekeeping [Net of recoveries Rs 4,000/- previous year Rs 31,119/-] | 194,494,458 | 173,175,656 |
| Electricity [Net of recoveries Rs Nil previous year Rs Nil] | 163,692,701 | 124,148,036 |
| | 966,273,819 | 849,982,820 |
| Schedule 15 - Administrative, Selling & Other Expenses | | |
| Travelling and Conveyance [Net of recoveries Rs 8,299,982/ previous year Rs 4,799,386/] | 276,837,405 | 235,196,926 |
| Printing and Stationery [Net of recoveries Rs 43,281/ previous year Rs 1,147,482/] | 35,036,072 | 23,070,623 |
| Postage, Telephone and Fax [Net of recoveries Rs 372,515/ previous year Rs 268,800/] | 23,108,405 | 15,972,391 |
| Repairs and Maintenance - Others [Net of recoveries Rs 20,355/- previous year Rs 10,523,442/] | 78,578,569 | 88,568,860 |
| Legal and Professional Fees [Net of recoveries Rs 193,150/ previous year Rs 1,450,924/] | 56,184,923 | 103,828,682 |
| Entertainment Expenses [Net of recoveries Rs 82,673/- previous year Rs 35,312/] | 4,129,122 | 3,166,280 |
| Sales and Marketing Expenses [Net of recoveries Rs 3,683,549/- previous year Rs 57,241/] | 141,320,582 | 138,671,870 |
| Provision for Doubtful Debts | - | 20,353,850 |
| Doubtful Advances written off | 3,770,586 | - |
| Bad Debts written off | 12,264,418 | - |
| Fixed Assets written off | 5,183,984 | 1,457,443 |
| Fixed Assets written off on Relinquishment of a Site | - | 5,287,999 |
| Miscellaneous Expenses [Net of recoveries Rs 251,553/ , previous year Rs 259,159/-] | 31,654,792 | 21,597,203 |
| Exchange Loss (Net) | 218,974,083 | 420,925,303 |
| | 887,042,941 | 1,078,097,430 |
| Schedule 16 - Interest and Other Charges | | |
| Interest on Working Capital Loan | 49,284,587 | 42,011,661 |
| Interest on ICD | - | 29,917,807 |
| Interest on External Commercial Borrowing | 20,332,367 | 18,189,513 |
| Interest on Others | 303,218 | 8,060 |
| Bank Charges and Finance Charges | 25,093,196 | 34,531,593 |
| | 95,013,368 | 124,658,634 |

Significant Accounting Policies

a. Basis of preparation of Financial Statements

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period

Difference between the actual results and estimates are recognized in the period in which the results are known materialized

c. Revenue Recognition

Revenue (income) is recognised when no significant uncertainty as to determination or realization exists

d. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss

e. Depreciation

Depreciation on fixed assets is provided on the Straight Line Method over their estimated useful lives, at the rates which are as given below, which are higher than the rates given in schedule XIV to the Companies act, 1956

| Fixed Asset (refer note below) | Rate of Depreciation (%) |
|---------------------------------------|---------------------------------|
| Building | 1 69 |
| Data and Voice Processing Equipment | 20 00 |
| Office Equipment | 16 67 |
| Furniture and Fixtures | 10 00 |
| Machinery | 10 00 |
| Motor Cars (other than on hire) | 20 00 |

Notes

- 1 Fixed assets acquired on hire purchase basis are amortised over the tenure of the agreement
- 2 Leasehold Improvements are amortized over the period of the lease (including Renewable period) or ten years whichever is shorter

f. Impairment loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts Recoverable amount is the higher of an asset's net selling price and its value in use Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal

g. Intangible Assets

Intangible assets are stated at cost of acquisition less amortization. These assets are amortised on a straight-line basis over a period of ten years except software, which is amortised over five years.

h. Investments

Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. Provision is made to recognise declines other than temporary in the carrying amount of long term investments.

i. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the original rate of exchange in force at the time the transactions are effected.

In case of forward exchange contracts other than those designated as Cash flow Hedges or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference.

Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense.

At the year-end, monetary items denominated in foreign currency are reported using the closing rate of exchange. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expense in the relevant year.

j. Provision for doubtful debts and advances

Provision is made in the accounts in respect of debts and advances which in the opinion of the management are considered doubtful of recovery.

k. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

l. Income Taxes

Tax expense comprised both current tax and deferred tax at the applicable enacted/ substantively enacted rates respectively. Current tax represents the amount of income tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the tax effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more

subsequent periods. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty (virtual certainty in case of loss) that the asset will be realized in future.

m. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

n. Leases

i. Finance Leases

Finance Leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised. If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term on a straight-line basis.

ii. Operating Leases

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 recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

o. Derivatives Policy

The Company is exposed to foreign currency fluctuations on foreign currency assets/liabilities and projected cash inflows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company uses foreign exchange forward contracts, currency/cross currency swaps and currency options to hedge its exposure to movements in foreign exchange rates. The use of these derivatives reduces the risk to the Company. The Company does not use these derivatives for trading or speculation purposes.

The outstanding trades at the reporting date are disclosed at the contract amount. The swaps are in the nature of financial instruments that are in substance a forward exchange contract.

The Company follows Accounting Standard (AS) 30 " Financial Instruments Recognition and Measurement " issued by the Institute of Chartered Accountants of India, so far as it is not in conflict with any other mandatory accounting standards and other regulatory requirements

Accordingly the changes in the fair value of forward contracts and options designated as cash flow hedges are recognized directly in cash flow hedge reserve account and are reclassified into the profit and loss account upon the occurrence of the hedged transaction. The changes in fair value relating to the ineffective portion of the cash flow hedges are recognized in the profit and loss account as they arise

p. Employee Benefits

(i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. These benefits include performance incentives and compensated absences

(ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account

The liability towards the contribution to gratuity fund is determined on the basis of an actuarial valuation obtained at the year-end. The trust in turn has availed a group gratuity policy with the HDFC Standard Life Insurance Company Limited

(iii) Provident Fund liability is determined on the basis of contribution as required under the statute / rules

INTELENET GLOBAL SERVICES PRIVATE LIMITED

Schedule 18 - Notes forming part of the Accounts

FY 2009-10

- 1 The Company has been granted permission for importing Capital Goods worth INR 1 705 00 million and INR 380 million vide Letter No STPI/MUM/VIII(A)(785)2000(10)/7798 dated 17th December 2004 & STPIC/IMSC/2008 09/239 dated 28th May 2008 respectively issued by the Director Software Technology Parks Of India (STPI). Accordingly in lieu of this permission the Company is required to achieve an export turnover of INR 20 845 1 million & INR 5 530 million respectively within a period of 5 years. The Company has upto the date of Balance Sheet imported Capital Goods worth INR 1 214 42 million and has achieved export turnover of INR 22 978 88 million.

| 2 | Contingent Liabilities in respect of , | Current Year | | Previous Year | |
|---|---|--------------|----------------|---------------|----------------|
| a | Corporate Guarantee by IGSPIL | | | | |
| | 1) <u>Sparsh BPO Services Ltd.</u> | INR | 1 730 000 000 | INR | 1 335 000 000 |
| | (Outstanding liability in respect of which Corporate Guarantee is given as on 31 03 2010 - INR 663 885 223 Previous Year - INR 681 004 567) | | | | |
| | 2) <u>Snow Holding Company Limited</u> | USD | 48 000 000 | USD | 48 000 000 |
| | (Outstanding liability in respect of which Corporate Guarantee is given as on 31 03 2010 - USD 30 000 000 Previous Year - USD 36 444 445) | (INR | 2 155 200 000) | (INR | 2 434 560 000) |
| | 3) <u>Intelenet (UK) Ltd</u> | GBP | 2 500 000 | GBP | 2 500 000 |
| | (Outstanding liability in respect of which Corporate Guarantee is given as on 31 03 2010 - GBP 2 500 000 Previous Year - GBP 2 500 000) | (INR | 169 887 500) | (INR | 181 225 000) |

- b The Company's claim for refund of service tax paid on input services for FY 2006-07 amounting to INR 43 744 892 has been rejected. The company has filed an appeal against the same.

- c During the year Company has given Letter of financial support to the following subsidiaries:

- i) Intelenet Mauritius Ltd
- ii) Intelenet (UK) Ltd
- iii) Sparsh BPO Services Ltd
- iv) Intelenet Global Philippines Inc

| 3 | Capital Commitments | Current Year | | Previous Year | |
|---|--|--------------|-------------|---------------|-------------|
| | Estimated amount of contracts remaining to be executed on capital account not provided for | INR | 102 024 729 | INR | 113 442 962 |

| 4 | Earnings in foreign exchange | Current Year | | Previous Year | |
|---|------------------------------|--------------|---------------|---------------|---------------|
| | Income from BPO Services | | 5 074 805 694 | INR | 4 657 066 800 |

| 5 | Value of Imports on CIF basis | Current Year | | Previous Year | |
|---|-------------------------------|--------------|-------------|---------------|------------|
| | Capital Goods | INR | 128 611 741 | INR | 47 815 808 |

| 6 | Expenditure in foreign currency on account of | Current Year | | Previous Year | |
|---|---|--------------|--------------------|---------------|--------------------|
| a | Connectivity expenses | INR | 129 648 679 | INR | 171 877 393 |
| b | Traveling | INR | 192 861 857 | INR | 108 653 462 |
| c | Professional Fees | INR | 38 211 177 | INR | 53 503 526 |
| d | Facility Management Fees | INR | 8 215 325 | INR | 6 473 683 |
| e | Interest | INR | 84 437 589 | INR | 86 931 863 |
| f | Marketing Expenses | INR | 114 583 142 | INR | 109 738 977 |
| g | Others | INR | 82 516 067 | INR | |
| | Total | INR | 650,473,856 | INR | 537,178,903 |

| 7 | Payment to Auditors | Current Year | | Previous Year | |
|---|----------------------------------|--------------|------------------|---------------|------------------|
| a | As Auditors | INR | 2 700 000 | INR | 2 500 000 |
| b | For tax audit | INR | 400 000 | INR | 300 000 |
| c | As advisors for taxation matters | INR | 1 630 000 | INR | 1 480 900 |
| d | Out of Pocket Expenses | INR | 21 956 | INR | 36 516 |
| | Total | INR | 4,751,956 | INR | 4,317,416 |

8 Segment Results

Business Segment is identified as Primary Business. As the company is mainly involved in IT enabled Services, there are no separate Reportable Segments. The company has identified Geographical segment as the secondary segment and following is the relevant disclosure as per Accounting Standard 17 on Segment Reporting notified under Companies (Accounting Standards) Rules, 2006.

| Particulars | Outside India | Within India | Total |
|--|----------------------------------|----------------------------------|----------------------------------|
| | Amount in INR | Amount in INR | Amount in INR |
| Segment Revenue | 5,074,805,694 (4,657,066,800) | 1,245,688,994 (1,246,548,100) | 6,320,494,688 (5,903,614,900) |
| Segment Assets (Total carrying amount) | 3,389,333,074 (2,799,589,167) | 4,209,704,384 (3,289,875,455) | 7,599,037,438 (6,089,464,622) |
| Segment Capital Expenditure | 9,403,421 (1,525,157) | 790,932,158 (249,177,987) | 800,335,579 (250,703,144) |

Note: Figures for the previous year are given in brackets.

9 Related Parties**A) Names of Related parties and Relationship**

| Sr No | Name of the related party | Nature of relationship |
|-------|--|---|
| 1 | Blackstone GPV Capital Partners Mauritius V B Limited | Ultimate Holding Company |
| 2 | SKR BPO Services Pvt Ltd | Holding Company |
| 3 | Intelenet America Inc | Wholly Owned Subsidiary (Voluntarily dissolved effective 15th March 2010) |
| 4 | Intelenet Inc | Wholly Owned Subsidiary |
| 5 | Intelenet (UK) Ltd | Wholly Owned Subsidiary |
| 6 | Intelenet Global Philippines Inc | Wholly Owned Subsidiary |
| 7 | Snow Holding Company Ltd | Wholly Owned Subsidiary |
| 8 | Sparsh BPO Services Ltd | Subsidiary |
| 9 | Intelenet Global Mauritius Holdings Limited | Subsidiary of Snow Holding Company Limited (Effective 22nd March 2010 Intelenet Global Mauritius Holdings Limited has amalgamated into Snow Holding Company Limited) |
| 10 | SKM Trust | Trust in which Key Managerial personnel has substantial interest and also a shareholder |
| 11 | SKM Technology Ventures Pvt Ltd | of Holding company having substantial interest till 30th December 2008 |
| 12 | Susir Kumar M | Trustee of SKM Trust |
| 13 | Windfall Investment Company Inc (100%) | Managing Director Key Management Personnel |
| 14 | Tecnovate eSolutions Pvt Ltd | Subsidiary of Snow Holding Company Ltd (Effective 22nd March 2010 Intelenet Global Mauritius Holdings Limited has amalgamated into Snow Holding Company Limited. Post Merger 100% of the Equity of Windfall is held by Snow Holding Company Limited post amalgamation) |
| 15 | I Service Inc | Subsidiary of Snow Holding Company Ltd (Effective 22nd March 2010 Intelenet Global Mauritius Holdings Limited has amalgamated into Snow Holding Company Limited. Post Merger 100% of the Equity of Tecnovate is held by Snow Holding Company Limited post amalgamation) |
| 16 | Upstream Services Company LLC (100%) | Subsidiary of Windfall Investment Company Inc |
| 17 | Upstream DR LLC | Subsidiary of Upstream Services Company LLC |
| 18 | Upstream LLC | Subsidiary of Upstream Services Company LLC |
| 19 | Upstream Customer care LLC | Subsidiary of Upstream LLC |
| 20 | Upstream Travelport LLC | Subsidiary of Upstream LLC |
| 21 | Teleforma Holdings LLC | Subsidiary of Upstream LLC |
| 22 | Intelenet (Mauritius) Ltd (Formerly Teleforma Mauritius Ltd) | Subsidiary of Teleforma Holdings LLC |
| 23 | Intelenet European Services Sp. z o.o | Subsidiary of Intelenet (UK) Ltd |
| 24 | Intelenet (UK) Services Limited | Subsidiary of Intelenet (UK) Ltd |
| 25 | Housing Development Finance Corporation Ltd | Shareholder of Holding Co (5.02%) |

B) Details of Transactions with Related Parties

| Particulars | Intervet America Inc | Intervet Inc | Intervet (UK) Ltd (Refer Note 3) | Intervet (UK) Services Ltd | Spain BPO Services Ltd (Refer Note 3) | Intervet Global Philippines Inc (Refer Note 3) | Shree Holding Co Ltd | BVR BPO Services Pvt. Ltd | SHM Trust | SHM Ventures Pvt Ltd | BVM Managing Director | Tecnosoft Solutions Pvt. Ltd | Upstream Services Company LLC | Intervet European Services Sp. s.r.o | Intervet (Australia) Ltd (Refer Note 3) | Total |
|---|-------------------------|-----------------|-------------------------------------|-------------------------------|---|--|-------------------------|------------------------------|--------------|----------------------------|--------------------------|---------------------------------|-------------------------------------|---|---|---------------|
| Particulars of Transactions | | | | | | | | | | | | | | | | |
| Services Income | 239,733 | 526,676,065 | 333,868,523 | | | | | | | | | | | | | 860,241,391 |
| Interest Income | (2,688,420) | (501,794,149) | (268,619,489) | | | | | | | | | | | | | (806,412,619) |
| Administrative Income | | | | | | | | | | | | | | | | 64,083,675 |
| Loans given to Related Party | (46,895,000) | 72,460,540 | | | | | | | | | | | | | | 25,565,540 |
| Loans repaid by Related Party | 7,000,000 | (134,550,225) | | | | | | | | | | | | | | (127,550,225) |
| Outstanding Loan (Advances of Interest) as on 31st March 16 | (10,144,000) | 99,330,000 | | | | | | | | | | | | | | 89,186,000 |
| Reimbursement of Expenses, to Related Party | (73,604,441) | 251,829,229 | | | | | | | | | | | | | | 178,224,788 |
| Reimbursement of Expenses, by Related Party | (1,454,524) | (339,487) | | | | | | | | | | | | | | (1,794,011) |
| Issue of Equity Shares | | 8,507,448 | 2,848,625 | | | | | | | | | | | | | 11,356,073 |
| Security Deposits paid on behalf of Related Party | | (25,065,554) | (4,170,449) | | | | | | | | | | | | | (29,236,003) |
| Corporate Guarantees given on behalf of Related Party | | | | | | | | | | | | | | | | |
| Particulars | | | | | | | | | | | | | | | | |
| Advance for purchase to Related party | | 3,820,750 | | | | | | | | | | | | | | 3,820,750 |
| Business Reimbursement Expenses | (44,783,889) | (780,394) | (181,225,000) | | | | | | | | | | | | | (226,889,283) |
| Salary paid during the year | | | | | | | | | | | | | | | | |
| Investment in Subsidiary | | | | | | | | | | | | | | | | |
| Opening Balance | 2,478,435 | 203,136 | 1,935,550 | | | | | | | | | | | | | 4,617,121 |
| Add: Loans during the year | (N/A) | (N/A) | (N/A) | | | | | | | | | | | | | |
| Closing Balance | (12,478,435) | (1,423,185) | (1,835,650) | | | | | | | | | | | | | (15,737,270) |
| Particulars | | | | | | | | | | | | | | | | |
| Payable | 680,339 | 5,659,500 | 18,884,287 | 3,035,589 | 1,634,840 | 3,951,425 | 156,070 | | | | | | | | | 30,907,050 |

Note

- 1 Figures in Brackets are in respect of the previous year
- 2 There are no provisions for doubtful debts or amounts written off or written back during the year/c; dates due to or from or to related party
- 3) The Company has issued Letter of Support to the Related party

10 Lease Transactions

- a) Future Lease rentals in respect of fixed assets taken on non-cancellable operating lease basis are as follows

| Particulars | Current Year | | Previous Year | |
|--|--------------|---------------|---------------|---------------|
| Amounts due within one year | INR | 317 747 708 | INR | 258 894 870 |
| Amounts due later than 1 year and not later than 5 years | INR | 1 198 853 960 | INR | 1 017 429 074 |
| Amount due later than 5 years | INR | 1 368 662 379 | INR | 1 507 794 830 |
| Lease payments recognized in the profit and loss account | INR | 280 424 251 | INR | 257 216 127 |

- b) Amount of lease rentals charged to the profit and loss account (net of recoveries) in respect of cancellable operating leases is
-
- INR 28 125 327/ (Previous Year INR 9 667 725/)

- c) Income received from sub-lease credited to P&L A/c INR 73 751 544 (Previous Year INR 73 751 544/)

- 11 Part of the Balance of sundry debtors sundry creditors and loans and advances are subject to confirmation and consequent reconciliation and adjustments if any

12 Derivative Instruments

- (1) The Company has entered into the following derivative instruments

- a) Forward exchange contracts [being derivative instruments] which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables

The following are the outstanding Forward Exchange Contracts entered into by the company as on 31st March 2010

| Currency | Current Year | Previous Year | Buy/Sell | Cross Currency |
|-----------|--------------|---------------|----------|----------------|
| GBP | 9 600 000 | 14 400 000 | Sell | US Dollar |
| US Dollar | 150 000 000 | 89 500 000 | Sell | Rupees |
| GBP | 50 000 000 | 59 000 000 | Sell | Rupees |

| b) | Current Year | | Previous Year | |
|----|---|-------------------|---------------|---------------|
| | Outstanding Currency / Interest rate Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in | | | |
| | No. of contracts | 6 | | 3 |
| | Notional Principal (In JPY) | JPY 1 128 205 421 | JPY | 1 056 562 622 |
| | Notional Principal (In USD) | USD 5 000 000 | USD | 0 |
| | Notional Principal (In Indian Rupees) | INR 766 602 705 | INR | 544 446 719 |
| c) | Outstanding Currency Options | | | |
| | No. of contracts | 1 | | 2 |
| | Notional Principal (In JPY) | JPY | JPY | 134 866 667 |
| | Notional Principal (In Indian Rupees) | INR | INR | 69 496 794 |
| | Notional Principal (In USD) | USD 21 000 000 | USD | 33 000 000 |
| | Notional Principal (In Indian Rupees) | INR 942 900 000 | INR | 1 673 760 000 |

- 2) Prior to the previous year the company was amortizing premium/discounts on forward contracts over the life of the contract as well as marking-to market the currency options and providing for the net loss. During the previous year the company had adopted Accounting Standard 30 "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India so far as it was not in conflict with any other mandatory accounting standards and other regulatory requirements. The changes in fair value aggregating Rs 822 719 104 (loss) in respect of forward exchange / option contracts which qualified for hedge accounting had been recognized directly in the Hedging Reserve Account to be released to P&L account as and when the underlying transactions occur. The mark to market loss of Rs 51 888 127 relating to ineffective hedge derivatives had been recognized in the Profit and Loss Account. Had the company followed the earlier accounting policy the profit for the previous year would have been lower by Rs 487 728 856 and Reserves and Surplus for the previous year would have been higher by Rs 334 990,248.

In accordance with the standard the company had added Rs 3 113 976 (Net of tax expense Rs Nil) being the transitional impact of the change upon 31st March 2008 to the balance of Profit & Loss Account as on 1st April 2008.

- (3) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below

| a) | Current Year | | Previous Year | |
|----|--|-------------------|---------------|---------------|
| | Amounts Receivable in foreign currency on account of the following | | | |
| | Loans and Advances | | | |
| | Amount in Indian Rupees | INR 1 260 527 948 | INR | 1 079 754 689 |
| | Amount in Foreign Currency (In USD) | USD 27 833 542 | USD | 21 025 618 |
| | Amount in Foreign Currency (In GBP) | GBP 13 180 | GBP | 34 889 |
| | Amount in Foreign Currency (In PHP) | PHP 9 934 081 | PHP | 10 004 876 |

| b) Amounts payable in foreign currency on account of the following | Current Year | | Previous Year | |
|--|--------------|-------------|---------------|---------------|
| <u>Imports of goods and services</u> | | | | |
| Amount in Indian Rupees | INR | 173 899 730 | INR | 112 731,220 |
| Amount in Foreign Currency- (In USD) | USD | 2 150 662 | USD | 1 713 031 |
| Amount in Foreign Currency (In GBP) | GBP | 670 384 | GBP | 298 008 |
| Amount in Foreign Currency (In JPY) | JPY | 5,201 727 | JPY | 8 236 471 |
| Amount in Foreign Currency (In AUD) | AUD | 708 623 | AUD | |
| Amount in Foreign Currency (In PHP) | PHP | 111 219 | PHP | |
| <u>Short term Loans</u> | | | | |
| Amount in Indian Rupees | INR | 962 714 857 | INR | 1 181 246 765 |
| Amount in Foreign Currency (In USD) | USD | 21 441 311 | USD | 23,289 566 |

13 Earning Per share.

Earning per share is calculated by dividing the profit(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under

| | Current Year | | Previous Year | |
|--|--------------|-------------|---------------|-------------|
| Profit after tax attributable to Equity Shareholders | INR | 962 139 443 | INR | 788 584 116 |
| Weighted average number of equity shares outstanding during the year for computation of basic earnings per share | | 83 968 235 | | 78 140 023 |
| Basic & Diluted Earning Per Share (Rupees) | INR | 11.46 | INR | 10.09 |
| Nominal value per share (Rupees) | INR | 10.00 | INR | 10.00 |

14 Deferred Tax

The Major components of deferred tax assets and liabilities are as under

| | Current Year | Previous Year |
|---|-------------------|-------------------|
| | Amount in INR | Amount in INR |
| Liabilities | | |
| a) Depreciation (reversing in the post tax holiday period) | (58 203 884) | (44 974 150) |
| Assets | | |
| a) Provision for Doubtful Debts | 9 552 551 | 13 943 379 |
| b) Provision for Doubtful Loans & Advances | 1 809 203 | 2 039 400 |
| c) Outstanding liability for Gratuity | 7 077 011 | 3 375,246 |
| d) Carried forward business losses & unabsorbed depreciation (Restricted to the extent of Deferred Tax Liability) | 39 765 119 | 25 616 125 |
| Total | 58,203 884 | 44,974 150 |
| Net Deferred Tax (Liability) / Asset | Nil | Nil |

15 Exchange differences, included in the profit and loss account, for the year are

| | Current Year | | Previous Year | |
|---------------|--------------|-------------|---------------|-------------|
| Exchange gain | INR | 429 815 221 | INR | 481 711 714 |
| Exchange loss | INR | 648 789 305 | INR | 902 637 017 |

16 Defined Benefit PlanGratuity

The employees gratuity fund scheme managed by a trust is a defined benefit plan the present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation

| | | Gratuity (Funded) | |
|---|--|--------------------|-------------------|
| | | Current Year | Previous Year |
| a | <u>Reconciliation of opening and closing balance of Defined Benefit Obligation</u> | | |
| | Defined Benefit obligation at the beginning | 23 641 780 | 18 187 192 |
| | Current Service Cost | 5 249 648 | 4 632 042 |
| | Interest Cost | 1 963 875 | 1 809 137 |
| | Actuarial (gain) / loss | 6 369 473 | (576,553) |
| | Benefits paid | (1 872 149) | (410 038) |
| | Settlement cost | | |
| | Defined Benefit obligation at the year end | 35,552,627 | 23,641,780 |

| | | | |
|---|-----------------------------------|-----------------------------------|-------------|
| b Reconciliation of opening and closing balance of fair value of plan assets | | | |
| Fair value of plan assets at the beginning | 13 711 664 | | 13 649 998 |
| Expected return on plan assets (i) | 1 030 047 | | 1 075 598 |
| Actuarial gain / (loss) (ii) | 1 177 998 | | (803 894) |
| Employer contribution | | | Nil |
| Benefits paid | (1 672 149) | | (410 038) |
| Settlement cost | | | Nil |
| Fair value of plan assets at the year end (for details refer e below) | 14,247,560 | | 13,711,664 |
| Actual return on Plan assets (i+ii) | 2 208 045 | | 471 704 |
| c Reconciliation of fair value of assets and obligations | | | |
| Fair value of Plan assets as at 31st March 2010 | 14 247 560 | | 13 711 664 |
| Present value of Obligation as at 31st March 2010 | 35 552 627 | | 23 641 780 |
| Amount recognized in balance sheet | 21,305,067 | | 9,930,116 |
| d Expense recognized during the year | | | |
| Current Service Cost | 5,249 648 | | 4 632 042 |
| Interest Cost | 1 963 875 | | 1 809 137 |
| Expected return on plan assets | (1 030 047) | | (1 075 598) |
| Actuarial (gain) / loss | 5 191 475 | | 27 341 |
| Net Cost | 11,374,951 | | 5,392,922 |
| e Investment details | | | |
| | % invested as at 31st March 10 | % invested as at 31st March 09 | |
| GOI Securities | Nil | Nil | |
| Public Securities | Nil | Nil | |
| Special Deposit Scheme | Nil | Nil | |
| State Govt. Securities | Nil | Nil | |
| Private Sector Securities | Nil | Nil | |
| Insurance Policies | Nil | Nil | |
| Others - HDFC Standard Life Insurance Co Ltd. Insurer managed fund (Secured Fund(Debt Fund) INR 6,370 778 25 (44.71%) (P.Y INR 6 609 327 (48.2%)) & Defensive Fund (Debt Fund) INR 7 876 782 72 (55.29%) (P.Y INR 7 102 337 (51.2%))] | 100% | 100% | |
| Total | 100% | 100% | |
| f Actuarial assumptions | | | |
| Mortality Table (LIC) | 1994 96 Ult Table | 1994 96 Ult Table | |
| Discount rate (per annum) | 6.25% | 7% | |
| Expected rate of return on plan assets (per annum) | 8% | 8% | |
| Rate of escalation in salary (per annum) | 4% | 4% | |

The estimated rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

17 Prior Period expenses Debited to Profit & Loss Account includes

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|---|--------------|---------------|
| a | Depreciation | INR | INR 3 949 977 |
| b | FA written off Relinquishment of a Site | INR | INR 5,287 999 |
| | TOTAL | INR | INR 9,237,976 |

18 Managerial Remuneration

| | Current Year | Previous Year |
|--|----------------|----------------|
| Remuneration to Managing Director | | |
| a Salaries | INR 6 758 400 | INR 6 758 400 |
| b Performance bonus | INR 4 000 000 | INR 4 000 000 |
| c Contribution to Provident Fund | INR 540 000 | INR 540 000 |
| d Perquisites | INR 3 450 540 | INR 1 828 125 |
| Total | INR 14,748,940 | INR 13 126,525 |

Actuarial Valuation of Gratuity is done for the company as a whole. Salary excludes gratuity payable to the whole time director and the same has not been separately determined.

- 19 The Company has not received any intimation from suppliers regarding their status under the Micro Small and Medium Enterprises Development Act 2006 and hence disclosures if any relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given
- 20 Comparative Financial information (i.e. the amounts and other disclosure for the preceding year presented above) is included as an integral part of the current year's financial statement and is to be read in relation to the amounts and disclosures relating to the current year. Figures of the previous year have been regrouped/ reclassified wherever necessary to correspond to figures of the current year

Signatures to Schedules 1 to 18

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants



R Salivati
Partner

For and behalf of the Board



Susir Kumar M
CEO & Managing Director




Amit Dixit
Director

Mumbai
Date 12 May 2010



Ramachandra Panicker
Chief Financial Officer



Abhay Telang
Company Secretary

Ans.