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In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01

A42 12/04/2013 #31
COMPANIES HOUSE

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 to register an alteration of manner of compliance with accounting requirements.

For further information, please refer to our guidance at www.companieshouse.gov.uk

Part 1 Corporate company name

Corporate name of overseas company	INTELENET GLOBAL SERVICES PRIVATE LIMITED
UK establishment number	B R 0 0 8 5 1 9

→ Filing in this form
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

Ⓢ 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	Ⓢ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts
	Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited	
Legislation	INDIAN COMPANIES ACT 1956	

A2	Accounting principles	Ⓢ Please insert the name of the appropriate accounting organisation or body
Accounts	Have the accounts been prepared in accordance with a set of generally accepted accounting principles? Please tick the appropriate box <input type="checkbox"/> No Go to Section A3 <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.	
Name of organisation or body	INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA	

A3	Accounts	
Accounts	Have the accounts been audited? Please tick the appropriate box <input type="checkbox"/> No Go to Section A5 <input checked="" type="checkbox"/> Yes. Go to Section A4	

OS AA01

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

A4**Audited accounts**

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" 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'	1 Please insert the name of the appropriate accounting organisation or body
Name of organisation or body 1	INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA	

A5**Unaudited accounts**

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input type="checkbox"/> Yes
--------------------	---

Part 3**Signature**

I am signing this form on behalf of the overseas company	
Signature	Signature
<i>mv</i>	<i>X</i> <i>[Signature]</i> <i>X</i>
This form may be signed by Director, Secretary, Permanent representative	

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



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 KINGSTON SMITH LLP

Address DEVONSHIRE HOUSE

60 GOSWELL ROAD

LONDON

Post town

County/Region

Postcode E C 1 M 7 A D

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
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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)

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Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 NR Belfast 1



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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
Tower 3, 27th - 32nd Floor
Indiabulls Finance Centre
Elphinstone Mill Compound
Senapati Bapat Marg
Elphinstone (W) Mumbai - 400 013
India

Tel: +91 (22) 6185 4000
Fax: +91 (22) 6185 4501/4601

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

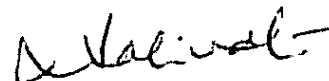
1. We have audited the attached Balance Sheet of **INTELENET GLOBAL SERVICES PRIVATE LIMITED** ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note 28 of the financial statements regarding a scheme of arrangement filed with the Honourable High Court of Judicature at Bombay.
4. 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.
5. *We also draw attention to note 31 of the financial statements, regarding non-provision for diminution in value of investments in two subsidiary companies (book value as at 31st March 2012 amounting to INR 1,251,520,984) for the reasons stated in the note. In the absence of reliable fair value of these investments, we are unable to express an opinion on the extent of diminution.*
6. Further to our comments in paragraph 3 and the Annexure referred to in paragraph 4 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;

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- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account,
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, *subject to non-provision for diminution in certain investments (Accounting Standard 13- Accounting for Investments) referred in para 5 ibid*
 - (e) *Subject to our comment in para 5 above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date
7. On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956

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



R. Salivati
Partner
(Membership No.34004)

MUMBAI, th 20 September, 2012

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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (vi), (viii), (x), (xi), (xii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable
- (ii) In respect of 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 provided 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 disposals have, 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 maintained 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 year 2008-09. At the year-end, the outstanding balance of such loan aggregated to Rs 30,000,000 and the maximum amount involved during the year was Rs 32,500,000.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interest of the Company
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations

There are no overdues in respect of principal and interest

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- (d) According to the information and explanations given to us, the Company has not taken loans from Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, requirements of sub clause (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 purchase 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 respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered
 - (b) Where each of such transaction is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (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, Custom duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

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- (c) Details of dues of Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise duty and Cess which have not been deposited as on 31st March 2012 on account of disputes are given below

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount (Rs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	FY 2002-03	908,089
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2003-04	242,398
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	FY 2004-05	9,611,787
Income Tax Act, 1961	Income Tax (FBT)	Commissioner of Income Tax (Appeals)	FY 2005-06	14,242,558

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank
- (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 interest of the Company.
- (x) In our opinion and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained
- (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.

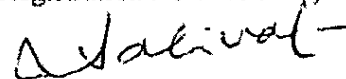
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- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No 117364W)



R. Salivati
Partner
(Membership No 34004)

MUMBAI, ⁶21 September, 2012

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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
A	EQUITY AND LIABILITIES			
1	Shareholders' funds	3		
	(a) Share capital	3 1	839,682,350	839,682,350
	(b) Reserves and surplus	3 2	3 882 800,426	5,061,080,150
			4 722,482 776	5,900,762,500
2	Non-current liabilities	4		
	(a) Long-term borrowings	4 1	1,542,073,251	317,078,255
	(b) Other long-term liabilities	4 2	258,855,079	-
	(b) Long-term provisions	4 3	1 712-118,934	296,805,698
			3,513,047,264	613,883 953
3	Current liabilities	5		
	(a) Short-term borrowings	5 1	879,281,657	760,973 375
	(b) Trade payables	5 2	873,925,527	809,327,511
	(c) Other current liabilities	5 3	294,956,224	347,518,109
	(d) Short-term provisions	5 4	840 296,696	155,699,179
			2,888,460,104	2 073 518,174
	TOTAL		11 123 990,144	8 588,164,627
B	ASSETS			
1	Non-current assets	6		
	(a) Fixed assets	6 1		
	(i) Tangible assets	6 1(a)	1,011,045,757	1,639,976,177
	(ii) Intangible assets	6-1(b)	77,395,480	114,414,202
	(iii) Intangible assets under development		20,647,804	-
	(iv) Fixed assets held for sale		61 865 910	-
			1,170,954,951	1 754,390,379
	(b) Non-current investments	6 2	3,438,128,487	2,365,229,469
	(c) Deferred tax assets (net)	22	220,281,474	-
	(d) Long-term loans and advances	6 3	3 918,736,578	2,754,838,360
			8,748,101,490	6,874,458,208
2	Current assets	7		
	(a) Trade receivables	7.1	939,483,823	483,017,176
	(b) Cash and cash equivalents	7 2	390,202,671	242,441,333
	(c) Short-term loans and advances	7 3	289 981,375	255,964,748
	(d) Other current assets	7 4	756,220,785	732,283,162
			2,375 888,654	1,713,706,419
	TOTAL		11,123,990,144	8,588,164,627
	See accompanying notes forming part of the financial statements.			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

R. Salivati

R. Salivati
Partner

For and on behalf of the Board of Directors

Susir Kumar M

Susir Kumar M
Director & Executive Chairman

Thomas Richard Phineas Riall

Thomas Richard Phineas Riall
CEO & Managing Director

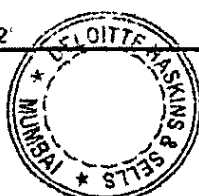
Abha Telang
Abha Telang
Company Secretary

Place Mumbai

Date 20th September 2012

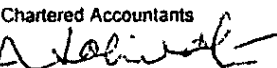
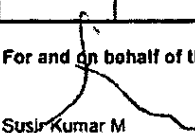


Place Mumbai

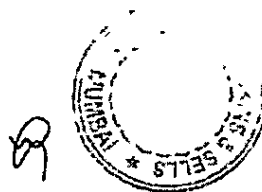
Date 20th September, 2012



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March, 2012

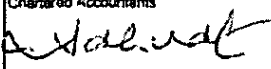
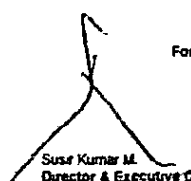

Particulars		Note No	For the year ended 31 March, 2012 Rupees	For the year ended 31 March, 2011 Rupees
1	Revenue from operations - Sale of Services	8 1	8,485,643,968	7 850 199,623
2	Other income	8 2	220 395,773	383,290,184
3	Total revenue (1+2)		8 706 039,741	8 233 489 807
4	Expenses	9		
	(a) Employee benefits expense	9 1	4 428,789,121	4 100,830 331
	(b) Finance costs	9 2	68,658 070	89,746 377
	(c) Depreciation and amortisation expense	6 1, 29 & 30	889,957 475	485 541 046
	(d) Other expenses	9 3	2 732,983,281	2 035 036,463
	Total expenses		8,120,387,947	6,711,154,217
5	Profit before tax (3 - 4)		585,651,794	1 522,335,590
6	Tax expense.			
	(a) Current tax expense for current year (including Foreign taxes Rs NIL PY Rs 956 680/-)		435,000,000	300,956,680
	(b) (Less) MAT credit		(694,366,374)	-
	(c) Current tax expense relating to prior years (including Foreign taxes Rs 5 013,777/- PY Rs NIL)		9,810 540	(1 329,585)
	(d) Net current tax expense		(249,555 834)	299,627,095
	(e) Deferred tax (Credit) / Expenses		(220,281,474)	2,885,691
			(469,837,308)	302,512,786
	Profit after tax (5 - 6)		1,055,489,102	1,219,822,804
	Earnings per share (of face value Rs - 10/- each)			
	Basic & Diluted (before adjustment of scheme of amalgamation)	21 A	12 57	14 53
	Basic & Diluted (after adjustment of scheme of amalgamation - Refer Note 25)	21 B	12 57	2 64
	See accompanying notes forming part of the financial statements			

<p>In terms of our report attached For Deloitte Haskins & Sells Chartered Accountants</p> <p> R. Sallvati Partner</p> <p>Place : Mumbai Date 20th September 2012</p>	<p>For and on behalf of the Board of Directors</p> <p> Susir Kumar M Director & Executive Chairman</p> <p> Abhay Telang Company Secretary</p> <p>Place : Mumbai Date 20th September 2012</p>	<p> Thomas Richard Phineas Riail CEO & Managing Director</p>
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INTELENET GLOBAL SERVICES PRIVATE LIMITED

Cash Flow Statement for the Year ended 31st March 2012

Particulars	Rupees	Previous Year Rupees
Cash Flow from Operating Activities		
Profit before tax	585,651,794	1,522,335,590
Adjustments for:		
Depreciation and amortisation	889,957,475	485,541,048
Interest and Other Charges	68,658,070	89,748,377
Surplus on Dissolution of subsidiary	-	(8,638,500)
Advances written off	-	9,388,557
Fixed assets written off	-	2,828,373
Loss on Sale / Disposal of Fixed Assets	1,436,483	4,585,274
Provision for doubtful debts	1,293,177	-
Bad Debts written off	25,800,677	-
Provision for doubtful debts written back	(25,491,260)	(19,407,273)
Provision for compensated absences	24,908,418	10,322,471
Donation in kind	-	38,564
Net Unrealised Exchange Loss / (Gain)	(92,802,026)	(12,425,395)
Provision for estimated losses on Onerous contract [Refer note 12 (b)]	66,312,925	-
Interest Income	(190,571,367)	(178,143,438)
Operating profit before working capital changes	1,355,184,368	1,908,170,548
(Increase)/Decrease in Trade and Unbilled Receivables (Previous year - after considering adjustment against Business Development Reserve)	(551,701,323)	163,817,579
Increase in Loans and Advances	(183,313,076)	(456,153,910)
Increase in Trade Payables / Other Liabilities	291,676,896	92,865,564
Cash from Operations	901,816,864	1,698,499,881
Net Income Tax paid	(274,608,323)	(334,262,171)
Net Cash from Operating Activities	627,208,541	1,364,237,710
Cash Flows from Investing Activities		
Purchase of Fixed Assets (incl. Capital advance & CWP)	(328,321,480)	(597,943,149)
Proceeds from Sale / Disposal of Fixed Assets	996,017	1,887,762
Investments in Subsidiaries (Previous year - after considering adjustment against Business Development Reserve)	(1,072,899,018)	(639,630,608)
Amount realised on Dissolution of subsidiary	-	9,118,935
Payment towards share application money in a subsidiary company	(460,000,000)	-
Interest Received	193,398,163	166,832,697
Net Cash used in Investing Activities	(1,668,826,318)	(1,059,636,381)
Cash Flows from Financing Activities		
Proceeds / (Repayment) from Long Term Loans (Net)	1,130,225,543	(409,127,845)
Proceeds / (Repayment) of Short Term Loans (Net)	116,308,282	(55,421,259)
Interest paid	(68,190,204)	(95,051,872)
Net Cash from/ (used) in Financing Activities	1,180,343,621	(559,600,976)
Net Increase / (Decrease) in Cash and Cash Equivalents	140,825,844	(254,999,627)
Cash and Cash equivalents at the beginning of the year	239,156,715	494,156,342
Cash and Cash equivalents at the end of the year	379,982,559	239,156,715
Reconciliation of Cash and Cash Equivalents		
As per Balance Sheet - Note No. 7.2	390,202,671	242,441,333
Less: FD - Margin Money Deposit	7,069,160	6,827,332
Sub Total	383,133,511	235,614,001
Effect of exchange rate changes (Gain) / Loss	(3,150,952)	3,542,714
Cash & Cash Equivalents, as restated	379,982,559	239,156,715
See accompanying notes forming part of the financial statements		
Note: In working out Cashflow for the previous year, adjustments for merger have been made as on 1st April 2010 in terms of our report attached		
For Deloitte Haskins & Sells Chartered Accountants	For and on behalf of the Board	
		
R. Sathya Partner	Suse Kumar M. Director & Executive Chairman	
	Abhishek Jaisingh Company Secretary	Thomas Richard Phineas Rull CEO & Managing Director
Place: Mumbai Date: 20th September, 2012	Place: Mumbai Date: 20th September, 2012	



INTELENET GLOBAL SERVICES PRIVATE LIMITED

Notes forming part of the financial statements

Note

1 Corporate information

Intelnet Global Services Private Limited (the "Company") was incorporated on 11th October, 2000 to carry on the business of information technology enabled services (ITeS) including activities in areas of call centre, transaction processing, back-office activities and related services. These services are provided across market segments including Financial services, Healthcare, Insurance, Retail, Telecom and Travel & Hospitality. The company has become part of Serco Group UK from 7th July, 2011.

2 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 and in compliance with the applicable accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956.

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 [Refer Note 30]

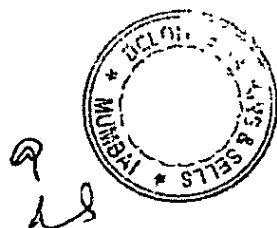
Depreciation on fixed assets is provided on the Straight Line Method over their estimated useful lives, at the rates which are as given below, which are higher than the rates given in schedule XIV to the Companies Act, 1956.

Fixed Asset (refer note below)	Rate of Depreciation (%)
Building	2.50
Data and Voice Processing Equipment	33.33
Office Equipment	25.00
Furniture and Fixtures	10.00
Machinery	20.00
Motor Cars (other than on hire)	33.33

Notes:

1 Leasehold Improvements are amortized over the period of the lease (including Renewable period) or ten years whichever is shorter.

2 Assets costing upto Rs. 5,000/- are depreciated fully in the year of purchase / acquisition.



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

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 three 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 decline, 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 comprises 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 accumulated depreciation and unabsorbed loss) that the asset will be realized in future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.



INTELENET GLOBAL SERVICES PRIVATE LIMITED

Notes forming part of the financial statements

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. Provision is also made for loss-making onerous contracts using the undiscounted value of estimated future cash outflows required to settle the contractual obligations. 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 statement of profit and loss on a straight-line basis over the lease term.

o. Derivatives

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.

Interest rate / cross currency swaps not designated as hedges are marked to market and the loss if any, is provided for in terms of the Announcement of ICAI on Derivatives on 29 March 2008.

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.



INTELENET GLOBAL SERVICES PRIVATE LIMITED

Notes forming part of the financial statements

p. Employee Benefits

(i) Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss 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 statement of profit and loss 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 statement of profit and loss.

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.

q. Service Tax Input Credit

Service tax input credit is accounted for in the period in which the underlying services received is accounted and when there is no uncertainty in availing / utilising the credits.



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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 3.1 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rupees	Number of shares	Rupees
(a) Authorised Equity shares of Rs 10/- each with voting rights	104,000,000	1,040,000,000	104,000,000	1,040,000,000
(b) Issued, Subscribed and paid up Equity shares of Rs 10/- each with voting rights	83,968,235	839,682,350	83,968,235	839,682,350
Total	83,968,235	839,682,350	83,968,235	839,682,350

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31 March 2012		
- Number of shares	83,968,235	83,968,235
- Amount (Rs)	839,682,350	839,682,350
Year ended 31 March, 2011		
- Number of shares	83,968,235	83,968,235
- Amount (Rs)	839,682,350	839,682,350

(d) Rights, Preferences & restrictions attached to shares

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held.

(e) Details of shares held by the holding company

Particulars	Equity Shares with voting rights
As at 31st March, 2012	
SKR BPO Services Private Limited, the holding company and its nominees	83,968,235
As at 31st March, 2011	
SKR BPO Services Private Limited, the holding company and its nominees	83,968,235

(f) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No of shares held	% holding in class of shares	No of shares held	% holding in class of shares
Equity shares with voting rights				
SKR BPO Services Private Limited and its nominees	83,968,235	100.00%	83,968,235	100.00%
Total	83,968,235	100.00%	83,968,235	100.00%



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 3 2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Capital reserve		
Opening balance	139,040,121	-
Add Transferred / Adjusted on merger (Refer Note 25)	-	139,040,121
Closing balance	139,040,121	139,040,121
(b) Securities premium account		
Opening balance	-	1,223,662,652
Add Received on account of merger	-	224,984,750
Less Utilised during the year for: - Creation of Business development reserve (Refer Note 25)	-	(1,448,647,402)
Closing balance	-	-
(c) General reserve		
Opening balance	45,675,603	-
Add Transferred on merger (Refer Note 25)	-	45,675,603
Closing balance	45,675,603	45,675,603
(d) Cash Flow Hedge reserve [Refer Note 2 (o)]		
Opening balance (Debit) / Credit	(121,879,772)	258,441,447
Adjustment : Gain / (Loss) transferred to Statement of Profit and Loss	131,122,147	(195,332,459)
Less Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	(2,364,890,973)	(184,988,760)
Closing balance (Debit) / Credit	(2,355,648,598)	(121,879,772)
(e) Other reserves - Business Development reserve [Refer Note 25]		
Opening balance	852,911,100	-
Add Transferred from securities premium	-	1,448,647,402
Add Transferred from the statement of profit and loss	-	651,352,598
Less Investment written off	-	(954,457,296)
Less Tenor Bonus to customer	-	(292,631,604)
Closing balance	852,911,100	852,911,100
(f) Surplus in Statement of Profit and Loss		
Opening balance	4,145,333,098	2,441,983,688
Add Profit for the year	1,055,489,102	1,219,822,804
Add Balance transferred on merger (Refer Note 25)	-	1,134,879,204
Less Transferred to Business Development Reserve (Refer Note 25)	-	(651,352,598)
Closing balance	5,200,822,200	4,145,333,098
Total	3,882,800,426	5,061,080,150

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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 4.1 Long-term borrowings

Particulars	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
(a) Term loans		
From banks External Commercial Borrowings		
Secured	223,573,251	317,078,255
Unsecured	-	-
	223,573,251	317,078,255
(b) Loans and advances from related parties (Refer Note 18)		
Secured	-	-
Unsecured	1,318,500,000	-
	1,318,500,000	-
Total	1,542,073,251	317,078,255

(c) Details of terms of repayment for the long term borrowings and security provided in respect of the secured long-term borrowings

Particulars	Terms of repayment	Details of security	As at 31 March, 2012		As at 31 March, 2011	
			Secured	Unsecured	Secured	Unsecured
			Rupees	Rupees	Rupees	Rupees
Term loans from banks (ECB)						
DBS Bank	Principal repayable in equal annual installments of USD 1,250,000 up till January 2015, interest at the rate USD Libor + 2.25% p.a. payable quarterly	Secured by hypothecation of Present and future specific tangible movable assets	127,358,500	-	167,231,250	-
Citi Bank	Principal repayable in quarterly installments of USD 413,500 up till March 2014, interest at the rate JPY Libor + 1.00% p.a. payable quarterly	Secured by hypothecation of Present and future specific tangible movable assets	96,214,751	-	149,847,004	-
HSBC Bank	Principal repayable in equal annual installments up till May 2011, interest at the rate JPY Libor + 4.32%/4.35% p.a. payable half yearly	Secured by hypothecation of Present and future specific tangible movable assets	-	-	-	-
Total - Term loans from banks			223,573,251	-	317,078,254	-
Loans and advances from related parties						
Serco BPO Private Limited	Principal repayment as mutually agreed between the parties, interest free loan	-	-	1,318,500,000	-	-
Total - Loans and advances from related parties			-	1,318,500,000	-	-

(d) For the current maturities of long term borrowings refer items (a) in Note 5.3 Other current liabilities.



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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 4.2 Other long-term liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
Lease Rent Equalisation account	258,855,079	-
Total	258,855,079	-

Note 4.3 Long-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Provision - Others		
(i) Provision for estimated loss on derivatives	1,665,241,871	296,805,698
(ii) Provision for estimated losses on onerous contracts	46,877,063	-
[Refer Note 12 (b)]		
Total	1,712,118,934	296,805,698

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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 5.1 Short-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Loans repayable on demand		
From banks		
Secured		
HSBC packing credit	462,820,813	352,178,989
DBS working capital	169,672,156	214,275,520
Citi bank working capital	177,537,767	156,470,261
	810,030,736	722,924,770
Unsecured - Overdrawn bank balance as per book		
HSBC INR current account	69,250,921	35,951,597
Citi bank INR current account	-	2,097,008
	69,250,921	38,048,605
	879,281,657	760,973,375
Total	879,281,657	760,973,375

(b) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2012	As at 31 March, 2011
		Rupees	Rupees
<u>Loans repayable on demand</u>			
<u>from banks</u>			
HSBC packing credit	Secured by hypothecation of present and future Book Debts, Outstanding Monies, Receivables and Claims, bills due and Owing	462,820,813	352,178,989
DBS working capital		169,672,156	214,275,520
Citi bank working capital		177,537,767	156,470,261
Total - from banks		810,030,736	722,924,770



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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 5.2 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
Trade payables		
Other than Acceptances (Refer Note 27)	873,925,527	809,327,511
Total	873,925,527	809,327,511

Note 5.3 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Current maturities of long-term debt (Refer Note (i) below)	156,978,402	209,293,265
(b) Interest accrued but not due on borrowings	2,163,445	1,695,579
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes etc.)	50,139,015	44,154,197
(ii) Trade / security deposits received	6,023,714	16,813,688
(iii) Stock Appreciation Rights	-	21,907,615
(iv) Others (includes Gratuity, Swap charges payable, excess recovery from client)	79,651,648	53,653,765
Total	294,956,224	347,518,109

(i) Current maturities of long-term debt (Refer Note (c) in Note 4.1 - Long-term borrowings for details of security)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
Term loans - External Commercial borrowings		
From banks		
Secured		
DBS Bank	63,679,250	55,743,750
Citi Bank	93,299,152	57,633,463
HSBC Bank	-	95,916,052
Total	156,978,402	209,293,265

Note 5.4 Short-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Provision for employee benefits		
(i) Provision for compensated absences	103,941,506	94,488,498
(b) Provision - Others:		
(i) Provision for tax (net of advance tax Rs 597,392,340 (As at 31 March, 2011 Rs 405,760,405))	7,807,245	57,371,684
(ii) Provision for estimated loss on derivatives	707,023,292	-
(iii) Provision for estimated losses on onerous contracts [Refer Note 12 (b)]	19,435,862	-
(iv) Provision - others (anticipated loss on contracts) [Refer Note 12 (a)]	2,088,791	3,838,997
	736,355,190	61,210,681
Total	840,296,696	155,699,179



Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 31st April 2011 (Rs. in Lakhs)	As at 31st March 2012 (Rs. in Lakhs)	As at 31st April 2011 (Rs. in Lakhs)	As at 31st March 2012 (Rs. in Lakhs)	As at 31st April 2011 (Rs. in Lakhs)	As at 31st March 2012 (Rs. in Lakhs)	As at 31st April 2011 (Rs. in Lakhs)	As at 31st March 2012 (Rs. in Lakhs)	As at 31st April 2011 (Rs. in Lakhs)	As at 31st March 2012 (Rs. in Lakhs)
9.1 (i) Tangible Assets										
Building	31,399,292	31,399,292	51,399,292	51,399,292	7,277,377	7,277,377	7,277,377	7,277,377	24,121,915	24,121,915
Leasehold Improvements	754,890,257	754,890,257	30,993,216	30,993,216	293,080,275	293,080,275	293,080,275	293,080,275	461,809,982	461,809,982
Office/Industrial Processing Equipment	2,448,132,301	2,448,132,301	255,788,328	255,788,328	1,910,365,745	1,910,365,745	1,910,365,745	1,910,365,745	537,766,556	537,766,556
Other Equipment etc.	2,421,231,136	2,421,231,136	27,187,462	27,187,462	437,641,126	437,641,126	437,641,126	437,641,126	1,983,589,990	1,983,589,990
Furniture and Fixtures	384,860,190	384,860,190	18,289,776	18,289,776	12,832,683	12,832,683	12,832,683	12,832,683	372,027,507	372,027,507
Machinery	190,473,681	190,473,681	1,107,178	1,107,178	62,453,638	62,453,638	62,453,638	62,453,638	128,020,043	128,020,043
Motor Cars	19,879,525	19,879,525	4,889,426	4,889,426	9,838,274	9,838,274	9,838,274	9,838,274	10,041,251	10,041,251
Sub total	6,544,872,868	6,544,872,868	47,689,791	47,689,791	2,894,886,185	2,894,886,185	2,894,886,185	2,894,886,185	3,650,000,000	3,650,000,000
Premium Year	3,883,182,292	3,883,182,292	74,333,332	74,333,332	2,251,213,110	2,251,213,110	2,251,213,110	2,251,213,110	1,631,969,182	1,631,969,182
9.1 (ii) Intangible Assets										
Computer Software	286,128,139	286,128,139	12,838,023	12,838,023	279,728,817	279,728,817	279,728,817	279,728,817	106,399,322	106,399,322
Sub Total	286,128,139	286,128,139	12,838,023	12,838,023	279,728,817	279,728,817	279,728,817	279,728,817	106,399,322	106,399,322
9.2 (i) Financial Assets										
Financial Assets	753,853,818	753,853,818	3,811,644	3,811,644	757,665,462	757,665,462	757,665,462	757,665,462	1,511,519,280	1,511,519,280
Sub Total	753,853,818	753,853,818	3,811,644	3,811,644	757,665,462	757,665,462	757,665,462	757,665,462	1,511,519,280	1,511,519,280
9.3 (i) Financial Assets										
Financial Assets	5,848,462,718	5,848,462,718	47,689,791	47,689,791	5,896,152,509	5,896,152,509	5,896,152,509	5,896,152,509	11,744,611,790	11,744,611,790
Sub Total	5,848,462,718	5,848,462,718	47,689,791	47,689,791	5,896,152,509	5,896,152,509	5,896,152,509	5,896,152,509	11,744,611,790	11,744,611,790
9.3 (ii) Financial Assets										
Financial Assets	42,728,001	42,728,001	11,462,332	11,462,332	31,265,669	31,265,669	31,265,669	31,265,669	11,462,332	11,462,332
Sub Total	42,728,001	42,728,001	11,462,332	11,462,332	31,265,669	31,265,669	31,265,669	31,265,669	11,462,332	11,462,332
9.4 (i) Financial Assets										
Financial Assets	1,219,253	1,219,253	501,092	501,092	718,161	718,161	718,161	718,161	518,092	518,092
Sub Total	1,219,253	1,219,253	501,092	501,092	718,161	718,161	718,161	718,161	518,092	518,092
9.4 (ii) Financial Assets										
Financial Assets	5,134,847	5,134,847	61,888,810	61,888,810	4,519,038,187	4,519,038,187	4,519,038,187	4,519,038,187	5,196,877,027	5,196,877,027
Sub Total	5,134,847	5,134,847	61,888,810	61,888,810	4,519,038,187	4,519,038,187	4,519,038,187	4,519,038,187	5,196,877,027	5,196,877,027
9.5 (i) Financial Assets										
Financial Assets	1,754,390,378	1,754,390,378	3,184,938,155	3,184,938,155	1,754,390,378	1,754,390,378	1,754,390,378	1,754,390,378	3,509,328,756	3,509,328,756
Sub Total	1,754,390,378	1,754,390,378	3,184,938,155	3,184,938,155	1,754,390,378	1,754,390,378	1,754,390,378	1,754,390,378	3,509,328,756	3,509,328,756
9.5 (ii) Financial Assets										
Financial Assets	1,754,390,378	1,754,390,378	3,184,938,155	3,184,938,155	1,754,390,378	1,754,390,378	1,754,390,378	1,754,390,378	3,509,328,756	3,509,328,756
Sub Total	1,754,390,378	1,754,390,378	3,184,938,155	3,184,938,155	1,754,390,378	1,754,390,378	1,754,390,378	1,754,390,378	3,509,328,756	3,509,328,756

The fixed assets in respect of Building is in the name of Banner assets Industrial Development Corporation (BADC).

9.1 (i) Details of WDV of Fixed Assets held for sale	
Particulars	As at 31st March 2012
Building	42,728,001
Leasehold Improvements	11,462,332
Other Equipment	18,811
Furniture & Fixtures	1,219,253
Plant & Machinery	501,092
Motor Cars	5,134,847
Software	61,888,810

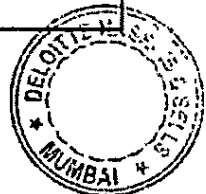


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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 6 2 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
(a) Investment in equity shares of subsidiaries						
-12 622 948 [previous year 11 883,002] equity shares of Rs 10 each fully paid-up in Sparsh BPO Services Ltd (delisted from 29th April 2011)		701 621,890	701 621 890	618,732,091	-	618,732,091
-5001 [previous year 5 001] equity share of \$ 1 each fully paid up in Intelnet Inc		203 136	203 136		203 136	203 136
-3,752 000 [previous year 3 352,000] equity shares of GBP 1 each fully paid up in Intelnet UK Ltd		272,384 842	272,384 842		239 824 248	239 824 248
- 488 918,260 [previous year 313,967,860] fully paid Shares of Intelnet 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 Intelnet Global Philippines Inc [Refer Note 31]		636,249,336	636,249 336		443,631,567	443 631 567
- 14,527 585 [previous year 11 427,595] ordinary shares of no par value fully paid up in Snow Holding Company Limited [Refer Note 31]		615,271,648	615 271,648		1,431,685,944	1,431,685,944
Less - Written off against Business Development Reserve (Refer Note 25) (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 14,527 585 Fully Paid Ordinary Shares of No Par Value in Favour of ICICI Bank Canada (ICICI) to secure the Loan given to Snow Holding Co Ltd)					-954 457 288	-954 457 288
-2,528,345 [previous year 1,233,538] shares at Q 10 each Fully paid in Intelnet Lat Am Services		148,045,142	148 045 142		71 763 142	71,763 142
-4,700 [previous year 300] shares of AED 1 000 each fully paid-up of Intelnet BPO Services FZ LLC		64,342,493	64 342 493		4 046 639	4 046,639
(b) Investment in preference shares of subsidiary		2,438,128 487	2,438 128,487	618 732 091	1 236,497,376	1 855 229 469
- 100 000 000 [previous year 51,000,000] 8% Non - Convertible Cumulative Redeemable Preference Shares - Series 1 of the face value of Rs 10/- (Ten Rupees only) each at par in Sparsh BPO Services Ltd		1,000,000,000	1 000 000 000		510,000 000	510,000,000
Total		3,438,128,487	3,438,128 487	618,732,091	1,746,497,376	2,385,229,469
Aggregate amount of quoted investments						618,732,091
Aggregate market value of listed and quoted investments						1,274,451,965
Aggregate amount of unquoted investments			3,438,128,487			1 746 497 376



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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 6 3 Long-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Capital advances Unsecured, considered good	39,853,262	20,486,329
(b) Security deposits Unsecured, considered good	441,117,887	406,639,480
(c) Loans and advances to related parties [other than (d) below] (Refer Note 18) Unsecured, considered good (includes share application money amounting to Rs 460,000,000 (As at March 31, 2011 Rs NIL))	2,777,679,554	2,160,228,580
(d) Loans and advances to employee (also a related party refer Note 18) Unsecured, considered good	27,500,000	30,000,000
(e) Prepaid expenses - Unsecured, considered good	37,245,414	16,643,227
(f) Advance income tax (net of provisions Rs 370,708,526 (As at 31 March, 2011 Rs 342,943,664) - Unsecured, considered good	137,725,908	57,592,565
(g) MAT credit entitlement - Unsecured, considered good	457,614,553	63,248,179
Total	3,918,736,578	2,754,838,360

(i) Note Long-term loans and advances include amounts due from

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
Director	27,500,000	30,000,000

AS



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 7.1 Trade receivables

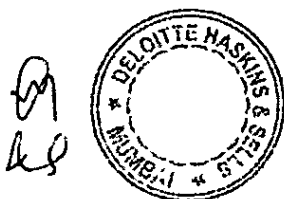
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered doubtful	4,559,502	28,602,858
	4,559,502	28,602,858
Less: Provision for doubtful trade receivables	4,559,502	28,602,858
	-	-
Other Trade receivables		
Unsecured considered good	939,483,823	483,017,176
Unsecured, considered doubtful	-	154,728
	939,483,823	483,171,904
Less Provision for doubtful trade receivables	-	154,728
	939,483,823	483,017,176
Total	939,483,823	483,017,176

Note 7.2 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Cash on hand	67,017	101,443
(b) Balances with banks		
(i) In current accounts	24,742,047	43,461,418
(ii) In EEFC accounts	124,086,455	50,839,853
(iii) In deposit accounts (Refer Note (i) below)	234,237,993	141,211,287
(iv) In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	7,069,160	6,827,332
Total	390,202,671	242,441,333

Note:

(i) Balances with banks include deposits amounting to Rs 6,257,807 (As at 31 March, 2011 Rs 6,257,807) and margin monies amounting to Rs 7,069,160 (As at 31 March, 2011 Rs 6,827,332) which have an original maturity of more than 12 months



INTELENET GLOBAL SERVICES PRIVATE LIMITED

Notes forming part of the financial statements

Note 7.3 Short-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Loans and advances to related parties (Refer Note 18)		
Unsecured, considered good	38,953,114	24,559,320
(b) Security deposits		
Unsecured, considered good	36,671,806	11,904,614
(c) Loans and advances to employees		
Unsecured, considered good		
from related party	2,500,000	2,500,000
from others	29,333,160	26,372,590
	31,833,160	28,872,590
(d) Prepaid expenses - Unsecured, considered good	45,363,451	41,186,109
(e) Balances with government authorities		
Unsecured, considered good		
(i) Service Tax credit receivable	102,776,876	129,562,007
(f) Others (includes travel advances and expenses recoverable from clients)		
Unsecured, considered good	34,382,968	19,880,108
Doubtful	3,217,122	3,217,122
	37,600,090	23,097,230
Less: Provision for other doubtful loans and advances	3,217,122	3,217,122
	34,382,968	19,880,108
Total	289,981,375	255,964,748

(i) Note: Short-term loans and advances include amounts due from

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
Director	2,500,000	2,500,000
Private company in which any director is a director	2,148,572	-

Note 7.4 Other current assets

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rupees	Rupees
(a) Unbilled revenue	707,701,246	561,098,035
(b) Accruals		
(i) Interest accrued on deposits	416,034	682,846
(ii) Interest accrued on loans	48,103,505	50,905,316
(c) Others		
(i) Receivables on Derivative contracts	-	119,596,965
Total	756,220,785	732,283,162



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

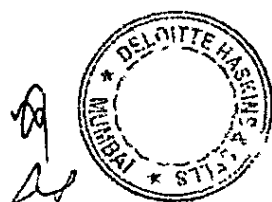
Note 8.1 Revenue from operations

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rupees	Rupees
	Sale of Services -		
	Income from BPO services (Refer Note 14)		
(i)	Call Centre Income	4,101,127,993	4,093,306,483
(ii)	Data Processing Income	4,384,515,975	3,756,893,140
	Total	8,485,643,968	7,850,199,623

Note 8.2 Other income

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rupees	Rupees
(a)	Interest income (Refer Note (i) below & Refer Note 14)	190,571,367	178,143,435
(b)	Net gain on foreign currency transactions and translation	-	147,553,243
(c)	Other non-operating income (Refer Note (ii) below)	29,824,406	57,593,506
	Total	220,395,773	383,290,184

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rupees	Rupees
(i)	Interest income comprises		
	Interest from banks on:		
	deposits	8,405,242	18,035,582
	other balances	9,902	1,845
	Interest on loans and advances to		
	staff & others	630,754	1,617,557
	subsidiary companies	181,525,469	158,488,451
	Total	190,571,367	178,143,435
(ii)	Other non-operating income comprises		
	Rental income from Sublease	-	24,583,848
	Liabilities / provisions no longer required written back	733,444	-
	Bad debts recovered	-	19,407,273
	Provision for doubtful debts no longer required written back	25,491,260	-
	Miscellaneous income	3,599,702	13,602,385
	Total	29,824,406	57,593,506



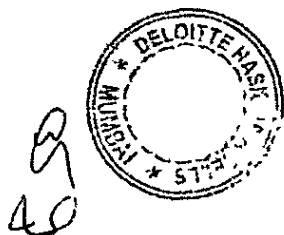
INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 9.1 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rupees	Rupees
Salaries and wages (Refer Note 16) (Net of recoveries Rs 18,242,819 (previous year Rs 14,495,181))	3,756,328,738	3,416,020,490
Contributions to provident and other funds (Refer Note 23)	151,644,693	120,303,164
Stock Appreciation Rights (Refer Note 24)	3,283,175	21,907,615
Staff welfare expenses (Net of recoveries Rs 11,233,559 (previous year Rs 7,367,291))	517,532,515	542,599,062
Total	4,428,789,121	4,100,830,331

Note 9.2 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rupees	Rupees
(a) Interest expense on (Refer Note 16)		
(i) Borrowings		
- Working capital loan	26,815,144	27,324,075
- Term loan		14,613,700
- External commercial borrowing	30,497,345	41,222,028
(ii) Others		
- Interest on delayed / deferred payment of income tax	3,200,898	-
- Others	660,582	5,206
(b) Other borrowing costs	7,484,101	6,581,368
Total	68,658,070	89,746,377



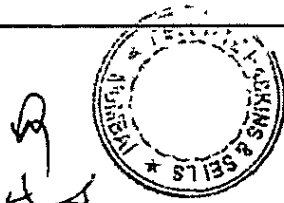
INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the financial statements

Note 9 3 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rupees	Rupees
Electricity	235,085,589	210,009,398
Connectivity Expenses (Net of recoveries Rs 12,651,463 (previous year Rs 5,241,985))	186,305,342	200,732,369
Facility Mgt, Maintenance, Housekeeping (Net of recoveries Rs 706,073 (previous year Rs.29 865))	290,442,172	262,264,062
Rent including lease rentals (Refer Note 19 & 29) (Net of recoveries Rs 453,919 (previous year Rs 370,001))	633,302,796	368,556,192
Repairs and maintenance - Buildings (Net of recoveries Rs 246,773 (previous year Rs NIL))	10,751,144	14,263,569
Repairs and maintenance - Others (Net of recoveries Rs 1,952,624 (previous year Rs 815,478))	118,623,016	94,156,243
Insurance	80,199,110	44,702,858
Rates and taxes (including wealth tax)	6,774,411	3,429,131
Postage, Telephone and Fax (Net of recoveries Rs 2,109,187 (previous year Rs 1,300,147))	71,201,514	33,535,477
Travelling and conveyance (Net of recoveries Rs 8,599,727 (previous year Rs 13,702,907))	227,369,723	229,236,392
Printing and stationery (Net of recoveries Rs 35,19,651 (previous year Rs 761,019))	35,026,985	31,969,096
Recruitment Expenses	81,384,261	96,159,611
Training Expenses	12,717,557	16,450,505
Discount	10,038,653	16,206,050
Sales and Marketing Expenses (Net of recoveries Rs NIL (previous year Rs 1,574,226))	289,484,494	297,399,126
Legal and professional (Net of recoveries Rs NIL (previous year Rs 7,500))	183,497,795	62,126,428
Entertainment expenses (Net of recoveries Rs NIL (previous year Rs 91,990))	9,143,532	8,733,652
Payments to auditors (Refer Note (i) below)	11,507,796	6,179,906
Bad debts written off	25,800,677	-
Provision for doubtful debts	1,293,177	-
Advances written off	-	9,388,557
Net loss on foreign currency transactions and translation (Refer Note 29)	120,854,178	-
Loss on fixed assets sold / scrapped / written off (net)	1,436,483	7,412,647
Provision for estimated losses on onerous contracts [Refer Note 12(b)]	66,312,925	-
Provision for anticipated losses [Refer Note 12 (a)]	4,240,380	1,714,435
Miscellaneous expenses (Net of recoveries Rs. 3,125,062 (previous year Rs 5,708,784))	20,189,571	20,410,759
Total	2,732,983,281	2,035,036,463

Notes

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rupees	Rupees
(i) Payments to the auditors comprises (net of service tax input credit, where applicable)		
As auditors - statutory audit	4,500,000	3,750,000
As advisors - for taxation matters	1,867,000	2,175,000
For other services [includes Rs 2,430,000 (previous year Rs NIL) paid to a firm where partners of audit firm are partners]	5,130,000	235,000
Reimbursement of expenses	10,796	19,906
Total	11,507,796	6,179,906



INTELENET GLOBAL SERVICES PRIVATE LIMITED

Notes forming part of the Accounts

10 The Company has been granted permission for importing Capital Goods worth INR 1 032 567 000 INR 1 106 000 000 & INR 70 168 000 vide Letter No STP/MUM/IVN/A(1)785/2000/10y(PVG)9573 dated 14th November 2006 STPIC/INSC/2008-09/239 dated 28th May 2008 & STP/MUM/IVN/A(1)514/2009(06y/SKA)4468 dated 30th June 2009 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 20 845,100 000, INR 5 530 000 000 & INR 1 214 852,000 respectively within a period of 5 years. The Company has imported Capital Goods worth INR 408 373 377 (previous year INR 384 221 951) and has achieved export turnover of INR 22 892 791 689 (previous year INR 21 569 325 225) during the period of 5 years from November 2006.

Contingent Liabilities and other commitments

11 In respect of :

		Current Year	Previous Year
a Corporate Guarantee by IGSPIL			
1) Sparsh BPO Services Ltd.	INR	2 190 000,000	INR 2 190 000 000
(Outstanding liability in respect of which Corporate Guarantee is given, as on 31.03.2012 INR 74 627 095 Previous Year INR 210 808 355)			
2) Snow Holding Company Limited	USD	70 050 000	USD 70 050 000
(Outstanding liability in respect of which Corporate Guarantee is given, as on 31.03.2012 USD 3 568 585 170 (INR 3 123 879 750) 30 509 224 Previous Year USD 40,848 557)			

b Company has given Letter of financial support to the following subsidiaries, in the year 2010-11 :

- i) Intelnet Mauritius Ltd
- ii) Intelnet (UK) Ltd
- iii) Intelnet Global Philippines Inc
- iv) Sparsh BPO Services Ltd
- v) I Service Inc
- vi) Snow Holding Company Ltd

c Claims not acknowledged as debts Rs 315 000 (Previous Year - Rs 315 000)

- d i) Demand for income tax and interest aggregating to Rs 9 811 787 for FY 2004-05 (Previous Year - Rs 9 811 787) is disputed by the company. The CIT (A) disallowed the appeal of the company. However, the company is in the process of filing an appeal before the ITAT.
- ii) Demand for income tax aggregating to Rs 1 816,178 for FY 2002-03 (Previous Year - Rs 1 816 176) which is disputed by the company against which company has preferred an appeal. The company has deposited Rs. 908 089 (Previous Year Rs. 908 089) under protest. The CIT (Appeals) partially allowed the appeal in favor of the company. However, the company has filed an appeal before the ITAT.
- iii) Pursuant to the transfer pricing assessment for FY 2007-08 of the company, an order has been received for an income adjustment of Rs 497,680 055 (Previous Year - Nil). The company has filed an appeal against the order with Dispute Resolution Panel (DRP). The amount of tax payable pursuant to the said adjustment is unascertained.
- iv) A disallowance in the FBT re-assessment for FY 2005-06 resulting in a tax liability of Rs 14 242 658 (Previous Year - Rs 445 363) has been appealed against by the company.

e Amount payable to residual shareholders in Exit Offer of Sparsh BPO Services Ltd pursuant to Delisting Regulations (Refer Note 26) Rs 33 387 070 (Previous Year - Rs 114 751 130)

f The Employees Provident Fund Organisation (EPFO) have initiated inquiry under section 7A of the Employees Provident Fund and Misc. Provisions Act, 1952. Pending outcome of the inquiry, settlement of Provident Fund claims of certain ex-employees were kept on hold by the EPFO. However, subsequently EPFO has started settling the claims. The Company has furnished indemnity bond to the EPFO for any loss that may arise in case of settling the claims.

In the opinion of the management, no additional liability is likely to devolve on the company pursuant to the aforesaid inquiry by the EPFO.

12 Provisions

The details of provision and movement in each class of provisions are as follows -

a For Anticipated losses

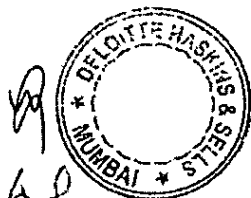
A provision for future anticipated claims is recognized where it is probable that payments may not be received from the customers due to deficiency in services. The activity in the provision for anticipated losses is as follows

	As at 31st March 2012	As at 31st March 2011
Opening Balance	INR 3 838,997	Nil
Provision transferred from Technovate on Merger	Nil	INR 3 692,857
Add Provisions during the year	INR 4 240 380	INR 1 303 825
Less Provision utilized during the year	INR 5,990,685	INR 1,157,685
Closing Balance	INR 2,088,792	INR 3,838,997

b For Onerous Contracts -

A provision for onerous contract has been made on the basis of estimated future cash outflows required to settle the contract obligations as they fall due in next 4 years

	As at 31st March 2012	As at 31st March 2011
Opening Balance	Nil	Nil
Add Provisions during the year	INR 66 312,925	Nil
Closing Balance	INR 66,312,925	Nil



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the Accounts

13	Capital Commitments	Current Year	Previous Year
	Estimated amount of contracts remaining to be executed on capital account (including intangible assets) not provided for	INR 70,770,574	INR 44,024,677
14	Earnings in foreign exchange	Current Year	Previous Year
	Income from BPO Services	INR 6,840,373,694	INR 6,752,619,392
	Interest Income	INR 46,180,697	INR 29,542,068
15	Value of Imports on CIF basis	Current Year	Previous Year
	Capital Goods	INR 24,151,426	INR 85,096,044
16	Expenditure in foreign currency on account of	Current Year	Previous Year
	a. Connectivity expenses	INR 110,658,102	INR 137,638,680
	b. Traveling	INR 87,281,709	INR 90,659,735
	c. Professional Fees	INR 5,474,607	INR 21,489,421
	d. Facility Management Fees	INR 0	INR 8,100,892
	e. Interest	INR 21,511,143	INR 67,565,619
	f. Marketing Expenses	INR 285,209,458	INR 280,122,504
	g. Others	INR 107,617,032	INR 51,736,914
	h. Taxes	INR 5,613,777	INR 956,680
	Total	INR 617,812,140	INR 665,310,956

17 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 2008.

Particulars	Outside India Amount in INR	Within India Amount in INR	Total Amount in INR
Segment Revenue	6,840,373,694 (6,752,619,392)	1,645,270,274 (1,097,580,231)	8,485,643,968 (7,850,199,623)
Segment Assets (Total carrying amount)	4,338,994,431 (2,604,146,613)	6,784,895,713 (5,924,018,015)	11,123,890,144 (8,588,164,628)
Segment Capital Expenditure	NIL (8,370,691)	312,495,789 (569,572,458)	312,495,789 (597,943,149)

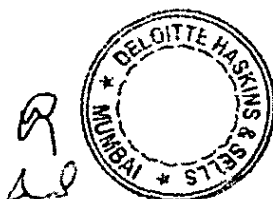
Note: Figures for the previous year are given in brackets.

18 Related Parties,
A) Names of Related parties and Relationship

Sr	Name of the related party	Nature of relationship
1	Serco Group plc, UK	Ultimate Holding Company
2	Serco BPO Holding Pvt Ltd	Holding Company of Serco BPO Private Limited
3	Serco BPO Pvt Ltd	Holding Company of SKR BPO Services Private Limited w.e.f 7th July 2011
4	SKR BPO Services Pvt Ltd	Holding Company
5	Sparsh BPO Services Ltd	Subsidiary
6	Serco Ltd, UK	Entity having significant influence w.e.f 7th July 2011
7	Blackstone GPV Capital Partners	
8	Maunus V B Limited	Ultimate Holding Company till 7th July 2011
9	Snow Holding Company Ltd	Wholly Owned Subsidiary
10	Intelenet Inc	Wholly Owned Subsidiary
11	Intelenet Global Philippines Inc	Wholly Owned Subsidiary
12	Intelenet LAT AM Services	Wholly Owned Subsidiary
13	Sociedad Anonima	Wholly Owned Subsidiary
14	Intelenet (UK) Ltd	Wholly Owned Subsidiary
15	Intelenet BPO Services FZ-LLC	Wholly Owned Subsidiary
16	Windfall Investment Company Inc	Subsidiary of Snow Holding Company Ltd
17	Intelenet America, LLC (Formerly known as Upstream LLC (USA))	Subsidiary of Windfall Investment Company Inc
18	i-Service Inc	Subsidiary of Windfall Investment Company Inc
19	Intelenet (Maunus) Ltd	Subsidiary of Intelenet America, LLC
20	Intelenet European Services Sp	
21	Zo o	Subsidiary of Intelenet (UK) Ltd
22	Intelenet (UK) Services Limited	Subsidiary of Intelenet (UK) Ltd
23	Susar Kumar M	Managing Director, Key Management Personnel
24	Thomas Richard Phineas Riall	Executive Director w.e.f 29th September 2011, Key Management Personnel

Note 1: Upstream Services Company LLC, Upstream DR LLC, Upstream Customer Care LLC, Upstream Travelport LLC and Teleforma Holdings LLC have been merged with Intelenet America LLC (formerly known as Upstream LLC) with effect from 31st August 2010.

Note 2: Related parties have been identified by the Management.



21. Details of Transactions with Related Parties

Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	301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INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the Accounts

19 Lease Transactions.

- a) The Company has taken various commercial premises under operating leases. These lease agreements are normally renewed on expiry. Future Lease rentals in respect of fixed assets taken on non-cancelable operating lease basis are as follows

Particulars	Current Year	Previous Year
Amounts due within one year	INR 320,893,509	INR 302,104,033
Amounts due later than 1 year and not later than 5 years	INR 955,343,530	INR 932,603,944
Amount due later than 5 years	INR 1,011,571,252	INR 1,187,547,190
Lease payments recognized in the statement of profit and loss	INR 571,108,460	INR 339,788,013

- b) Amount of lease rentals charged to the statement of profit and loss (net of recoveries) in respect of cancelable operating leases is INR 62,190,338/- (Previous Year INR 28,788,178/-)

- c) Income received from sub-lease credited to statement of profit and loss Rs. NIL (Previous Year INR 24,583,848/-)

20 Derivative Instruments

- (i) 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 2012

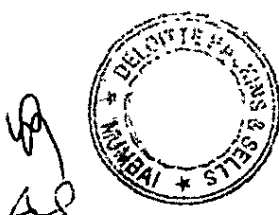
Currency	Current Year	Previous Year	Buy/Sell	Cross Currency
US Dollar	127,000,000	177,500,000	Sell	Rupees
AUD	NIL	2,400,000	Sell	US Dollar
INR	8,068,000	NIL	Sell	US Dollar
GBP	2,700,000	NIL	Buy	Rupees
GBP	195,500,000	210,000,000	Sell	Rupees

	Current Year	Previous Year
b) Outstanding Currency / Interest rate Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate		
No. of contracts	3	5
Notional Principal (in JPY)	JPY 306,111,943	JPY 681,812,624
Notional Principal (in USD)	USD 3,750,000	USD 6,000,000
Notional Principal (in Indian Rupees)	INR 380,551,654	INR 589,943,600
c) Outstanding Currency Options		
No. of contracts	NIL	1
Notional Principal (in USD)	NIL	USD 9,000,000
Notional Principal (in INR)	NIL	INR 401,355,000

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

	Current Year	Previous Year
a) Amounts Receivable in foreign currency on account of the following:		
Loans and Advances		
Amount in Indian Rupees	INR 1,625,457,520	INR 574,759,982
Amount in Foreign Currency (in USD)	USD 22,338,397	USD 10,354,451
Amount in Foreign Currency (in AED)	AED 25,294	AED NIL
Amount in Foreign Currency (in GBP)	GBP 5,779,313	GBP 1,311,069
Amount in Foreign Currency (in PHP)	PHP 14,068,859	PHP 18,007,474

	Current Year	Previous Year
b) Amounts payable in foreign currency on account of the following:		
Imports of goods and services		
Amount in Indian Rupees	INR 378,431,539	INR 298,857,442
Amount in Foreign Currency (in USD)	USD 8,366,300	USD 5,848,454
Amount in Foreign Currency (in GBP)	GBP 550,035	GBP 387,062
Amount in Foreign Currency (in AED)	AED 344,942	AED 0.00
Amount in Foreign Currency (in AUD)	AUD 54,298	AUD 221,481
Amount in Foreign Currency (in PHP)	PHP 1,780	PHP -
Short term Loans & ECB		
Amount in Indian Rupees	INR 1,190,582,390	INR 945,899,789
Amount in Foreign Currency (in JPY)	JPY 306,111,943	JPY NIL
Amount in Foreign Currency (in USD)	USD 19,850,501	USD 21,210,693



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the Accounts

21 Earning Per share,

A Basic and Diluted EPS before adjustment of scheme of Amalgamation as per Note no. 25

	Current Year	Previous Year
Profit after tax attributable to Equity Shareholders	INR 1,055,489,102	INR 1,219,822,805
Weighted average number of equity shares outstanding during the year for computation of basic earnings per share	83,968,235	83,968,235
Basic & Diluted Earning Per Share (Rupees)	INR 12.57	INR 14.53
Nominal value per share (Rupees)	INR 10.00	INR 10.00

B Basic and Diluted EPS after adjustment of scheme of Amalgamation as per Note no. 25

	Current Year	Previous Year
Profit after tax attributable to Equity Shareholders	INR 1,055,489,102	INR 221,733,805
Weighted average number of equity shares outstanding during the year for computation of basic earnings per share	83,968,235	83,968,235
Basic & Diluted Earning Per Share (Rupees)	INR 12.57	INR 2.64
Nominal value per share (Rupees)	INR 10.00	INR 10.00

22 Deferred Tax,

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

	Current Year Amount in INR	Previous Year Amount in INR
Liabilities		
a) Depreciation (reversing in the post tax holiday period)		(86,643,690)
Assets		
a) Depreciation	75,645,664	-
b) Provision for Doubtful Debts	1,478,331	9,552,551
c) Provision for Doubtful Loans & Advances	1,043,795	1,068,648
d) Outstanding liability for Gratuity	24,203,332	15,453,536
e) Provision for compensated absences	33,723,822	31,386,717
f) Provision for lease rent	83,965,530	-
g) Carried forward unabsorbed business losses & depreciation (Restricted to the extent of Deferred Tax Liability)	-	29,182,238
Total	220,281,474	86,643,690
Net Deferred Tax (Liability) / Asset	220,281,474	Na

In the previous year Deferred Tax Asset on account of unabsorbed depreciation and business losses has been recognized as the same can be realized against reversal of deferred tax liability arising on timing difference of book and tax depreciation.

23 Disclosure as required under Accounting Standard (AS) 19 (Revised)

A Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under

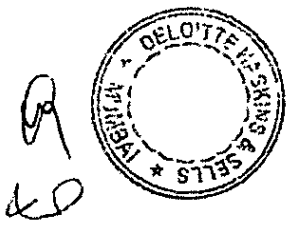
	Current year	Previous year
Employers Contribution to Provident Fund	INR 120,569,667	INR 101,875,368

B Defined Benefit Plan

Gratuity

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 total obligation.

	(Amount in Rupees)	
	Current Year	Previous Year
Reconciliation of opening and closing balance of Defined Benefit Obligation		
Defined Benefit obligation at the beginning	56,038,741	35,552,627
Current Service Cost	8,084,071	7,181,498
Past service Cost	-	930,090
Interest Cost	4,202,906	2,222,039
Actuarial (gain) / losses on Obligations	17,241,125	7,372,551
Liability Transferred in	-	10,449,174
Liability Transferred Out	-	(1,953,525)
Benefits paid in the Normal course	(10,912,785)	(5,715,722)
Defined Benefit obligation at the year end	74,654,078	56,038,741



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the Accounts

b. Reconciliation of opening and closing balance of fair value of plan assets		
Fair value of plan assets at the beginning	9,516,487	14,247,560
Expected return on plan assets (i)	781,317	1,139,805
Actuarial gain / (loss) (ii)	(913,442)	1,798,349
Contributions	1,604,466	
Transfer to the Other Company		(1,953,525)
Benefits paid	(10,912,765)	(5,715,722)
Fair value of plan assets at the year end (for details refer a. below)	56,043	9,516,487
Actual return on Plan assets (i+ii)	(152,125)	2,938,154
c. Reconciliation of fair value of plan assets and obligations		
Fair value of Plan assets as at 31st March 2012	56,043	9,516,487
Present value of Obligation as at 31st March 2012	(74,654,078)	(50,036,741)
Amount recognized in balance sheet	14,598,035	46,522,214
d. Expense recognized during the year		
Current Service Cost	6,084,071	7,181,488
Past Service Cost	-	930,099
Interest Cost	4,202,906	2,222,039
Expected return on plan assets	(781,317)	(1,139,805)
Actuarial (gain) / loss	18,154,567	5,574,202
Net Cost	29,660,227	14,768,033
e. Investment details		
	% invested as at 31st March 12	% invested as at 31st March 11
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 Managed Fund/ Debt Fund) INR 25,732 (45.92%) (P.Y. INR 4,215,853 (44.30%)) & Defensive Fund (Debt Fund) INR 30,310 (54.08%) (P.Y. INR 5,300,613 (55.70%))	100%	100%
Total	100%	100%
f. Experience Adjustment		
	Current Year	Previous Year
On Plan Liability (Gains) / Losses	17,500,797	8,870,700
On Plan Assets (Losses) / Gains	(913,442)	1,798,349
g. Actuarial assumptions		
Mortality Table (LIC)	LIC 1994 96 (Ultimate)	LIC 1994 96 (Ultimate)
Discount rate (per annum)	7.50%	7.50%
Expected rate of return on plan assets (per annum)	8%	8%
Attrition rate	60%	60%
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 which has been relied upon by the auditors.

24. **Stock Appreciation Rights**
In the year 2010-11, the company had awarded Stock Appreciation Rights (SARs) to a Non-Whole time director of the company. The valuation for these rights were based on intrinsic value as determined by the Independent Valuer. These rights did not carry the legal rights to receive any shares or receive dividend or right to vote.
The company had granted 100,000 SARs on 12 May 2010 vesting after the expiry of One year from the grant date. During the current year, the said SARs have been exercised. There are no outstanding SARs as at the end of the year.



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INTELENET GLOBAL SERVICES PRIVATE LIMITED

Notes forming part of the Accounts

25 Merger of Tecnovate eSolutions Private Limited with the Company

1 Pursuant to a Scheme of Arrangement under Indian Companies Act 1956, (the Scheme) between the Company and the Company's erstwhile wholly owned step down subsidiary Tecnovate eSolutions Private Limited, (Tecnovate), which was approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 11th Feb 2011. Tecnovate had been merged with the Company and as a result, the net assets of Tecnovate's Undertakings and Business had been transferred to the Company. The Appointed Date for the merger was 1st April 2010 and the Effective Date for the same was 28th Feb 2011. As per the Scheme, all the Undertakings and Businesses of Tecnovate had been vested with the Company. However, no shares had been issued to the shareholders of Tecnovate as the Indian Companies Act 1956 prohibits a subsidiary from holding any shares in the parent. The merger in the books of the Company had been accounted according to pooling of interest method under Accounting Standard 14 "Accounting for Amalgamations" as issued by The Institute of Chartered Accountants of India. As per para 13.6 of the Scheme, in the previous year Business Development Reserve of Rs 2,100,000,000 had been created using Securities Premium account and balance in Accumulated Profit and Loss Account.

2. While giving effect to the Scheme, assets and liabilities vested in the Company on merger had been recorded at their existing book values in the same form as they were appearing in the books of the Tecnovate after making adjustments for difference, if any in accounting policies between the Tecnovate and the Company.

3. The Profit and Loss for the previous year of Tecnovate had been accounted as the Profit and Loss of the Company.

4. No shares were issued by the Company. Tecnovate being a wholly owned Step down subsidiary and the difference between the assets and liabilities taken over had been treated as Capital Reserve.

5. In the previous year, the Company had transferred Rs 1,448,647,402 million from Securities Premium Account and Rs 851,352,588 million from accumulated balance in statement of Profit and loss to Business Development Reserve. In terms of the Scheme, as and when deemed fit by the Board, the said Business Development Reserve is available for adjustment, gross of tax, of all upfront customer discounts given to secure long term contracts including but not limited to tenure bonuses, impairment and or amortisation and or write off of goodwill and or intangibles arising on consolidation or otherwise.

diminution and or impairment and or write down in value of its investments, any extra ordinary items arising pursuant to the Company's future projects and plans for investments or customer acquisitions or such other expenses as may be identified.

and approved by the Board of Directors, either in Company's standalone accounts or the consolidated Accounts.

6. Had the Scheme, as approved by the Hon'ble High Court, not prescribed the accounting treatment as described above, the Profit for the previous year would have been lower by Rs 998,088,900/-.

Balance in Securities Premium Account as at 31st March 2011 would have been higher by Rs 1,448,647,402/.

Accumulated balance in statement of Profit and Loss as at 31st March 2011, would have been lower by Rs 34,6736,302/-.

However the aggregate balances in Reserves and Surplus as at 31st Mar 2011 would have remained the same.

26 During the previous year, the Company made an offer to acquire 4,045,775 equity shares held by the public shareholders comprising 25.08% of the share capital of Sparsh BPO Services Limited (Sparsh) in accordance with the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations 2009 (Delisting Regulations) through a Reverse Book Building Process (Delisting Offer).

Pursuant to the Delisting Regulations the Company accepted and offered to pay a price of Rs 110/- per Equity Share determined under the reverse book-building process as per the Delisting Regulations (Exit Price). Pursuant to the Delisting Offer the Company acquired 739,946 equity shares representing 4.58% of the share capital of Sparsh during the year (Previous Year - 3,003,492 equity shares representing 18.60% of the share capital of Sparsh) at Rs 110 per share.

The shares of Sparsh have been delisted from the BSE with effect from April 29, 2011.

Post the delisting the Company had provided a first exit opportunity to the remaining public equity shareholders of Sparsh, to tender their Equity Shares for a period of one year from the date of delisting of Sparsh at the exit price of Rs 110/.

27 Based on the information available with the Company, none of the vendors are registered under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year end together with interest paid/payable under this Act has not been given.

28 A scheme of arrangement in the nature of amalgamation has been proposed pursuant to provisions of section 391 to 394 read with section 78 and 100 to 104 and other applicable provisions of the Companies Act, 1956 by and between SKR BPO Services Private Limited (Transferor Company 1) and Intelnet Global Services Private Limited (Transferor Company 2) with Serco BPO Private Limited (Transferee Company) and their respective shareholders, creditors & debenture holders. The appointed date of the scheme is 7th July, 2011. The scheme inter alia provides for transfer of entire undertaking and assets and liabilities of SKR BPO Services Private Limited and Intelnet Global Services Private Limited into Serco BPO Private Limited by way of merger.

The proposed scheme has been filed on 18th September 2012 with the Honourable High Court of Judicature at Bombay under section 391 to 394 of the Companies Act, 1956 for necessary approvals.

The scheme will be implemented after it is sanctioned by the Honourable High Court of Judicature at Bombay as required under the Companies Act, 1956 and certified copy of the order of the Honourable High Court of Judicature at Bombay is filed with the Registrar of Companies, Mumbai, Maharashtra.

No effect has been given of the provisions of the scheme so far as they relate to the company in the financial statements of the company for the year ended 31st March 2012 as the said scheme is subject to sanction of the Honourable High Court of Judicature at Bombay. Accordingly working for tax provision has been made without considering the effect of the said scheme.

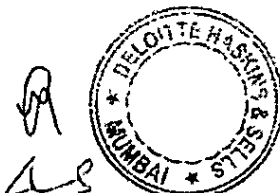
29 Prior period expenses / (gains) included in the statement of profit and loss are as under :-

i) Rent including lease rentals	INR 236,545,424
ii) Depreciation and amortisation expense	INR 33,962,306
iii) Net gain on foreign currency transactions and translations	(INR 29,502,178)

30 Change in estimated useful life of some tangible/intangible assets

During the year, company has revised the useful life of some of its tangible assets viz Building, Data/Voice Equipments, Office Equipments, Machinery, Motor Car and intangible assets viz Computer Software to align the same with group policy. The written down value of such assets as on 1st April 2011 is written off over their balance useful life. Consequently, the depreciation charge for the year is higher by Rs 341,886,148.

31 The Company has investment in equity shares of Intelnet Global Philippines Inc. (book value INR, 836,249,336) and Snow Holding Company Limited (book value INR 615,271,648). The networth of these companies has substantially eroded as at 31st March 2012. In the opinion of the management, there is no diminution in the value of these long term strategic investments as these companies have business plans which will yield substantial annual revenue over the coming years.



INTELENET GLOBAL SERVICES PRIVATE LIMITED
Notes forming part of the Accounts

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

For and on behalf of the Board of Directors

Susir Kumar M
Director & Executive Chairman



Thomas Richard Phineas Riail
CEO & Managing Director



Abhay Telang
Company Secretary

Place : Mumbai
Date : 20th September 2012

