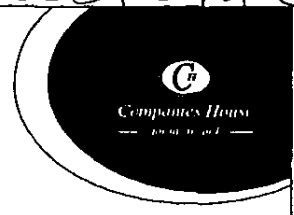


**OS AA01**

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

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A32 21/07/2012 #81 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 company with accounting requirements.

**Part 1 Corporate company name**

Corporate name of overseas company ①	COLLABERA SOLUTIONS PRIVATE LIMITED
UK establishment number ②	B R 0 0 6 2 6 7

→ Filing in this form  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*  
① This is the name of the company in its home state  
② This should only be completed if the company has already been registered in the UK

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

<b>A1</b>	<b>Legislation</b>	
Legislation ①	INDIAN COMPANIES ACT	① This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts
<b>A2</b>	<b>Accounting principles</b>	
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	② Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ②	THE COMPANIES ACT 1956 of INDIA ACCOUNTING STANDARDS issued by ICAI, New Delhi	
<b>A3</b>	<b>Accounts</b>	
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

<b>A4 Audited accounts</b>	
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'
Name of organisation or body <sup>①</sup>	THE COMPANIES ACT 1956 OF INDIA ACCOUNTING STANDARDS issued by ICAI New Delhi
<b>A5 Unaudited accounts</b>	
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input type="checkbox"/> Yes
<b>Part 3 Signature</b>	
	I am signing this form on behalf of the overseas company
Signature	Signature X <i>N. Kishore Nayana</i> X
	This form may be signed by Director, Secretary, Permanent representative

# OS AA01

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
Address
Post town
County/Region
Post code
Country
Dx
Telephone

## Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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

## Important information

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

## Where to send

You may return this form to any Companies House address

### England and Wales:

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

### Scotland:

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

### Northern Ireland:

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

## Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**AUDITORS' REPORT**

**TO THE MEMBERS OF COLLABERA SOLUTIONS PRIVATE LIMITED**

- 1 We have audited the attached Balance Sheet of Collabera Solutions Private Limited as at March 31, 2010, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order'), Issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account,
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act,
  - (e) On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, together with the notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date, and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co  
Firm Registration Number. 0075675  
Chartered Accountants



Shivakumar Hegde  
Partner  
Membership Number 204627

Place. Bangalore  
Date: September 7, 2010

**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Collabera Solutions Private Limited on the financial statements for the year ended March 31, 2010

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) As the Company did not have any inventory, clauses (ii)(a), (ii)(b) and (ii)(c) of the Order are not applicable to the Company
- (iii) (a) The Company has granted an unsecured loan, to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loan aggregates to Rs 88,000,000 and Rs.64,725,000 respectively
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loan, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
- (d) In respect of the aforesaid loan, there is no overdue amount more than rupees one lakh
- (e) The Company has not taken any loans, secured or unsecured, from companies, firm or other parties covered in the register maintained under Section 301 of the Act and accordingly, sub clauses (f) and (g) of clause (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company



**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Collabera Solutions Private Limited on the financial statements for the year ended March 31, 2010

Page 2 of 3

(ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of Dues	Amounts (Rs.)	Period to Which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	2,529,286 (*)	2001-02	High Court of Karnataka

(\*) Entire amount has been paid under protest

- (x) The Company has accumulated losses as at March 31, 2010, but which are not more than fifty percent of its net-worth as at that date. The Company has not incurred cash losses during the year, but it incurred cash losses in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as may be applicable, as at the Balance Sheet date
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year
- (xvi) The Company has not obtained any term loans
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised any money by public issues during the year



**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Collabera Solutions Private Limited on the financial statements for the year ended March 31, 2010

Page 3 of 3

- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Price Waterhouse & Co.  
Firm Registration Number: 0075675  
Chartered Accountants



Shrivakumar Hegde  
Partner

Membership Number: 204627

Place: Bangalore  
Date: September 7, 2010

COLLABERA SOLUTIONS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	2010 Rs	2009 Rs
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	250,000,000	250,000,000
Reserves and Surplus	2	152,481,955	152,481,955
		<u>402,481,955</u>	<u>402,481,955</u>
<b>Loan Funds</b>			
Secured Loan	3	2,766,214	2,393,362
Unsecured Loans	4	198,841,925	234,943,495
		<u>201,608,139</u>	<u>237,336,857</u>
		<u>604,090,094</u>	<u>639,818,812</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	349,411,323	360,815,946
Less Depreciation		314,370,667	302,912,470
Net Block		<u>35,040,656</u>	<u>57,903,476</u>
Capital Work-in-Progress		-	1,043,863
		<u>35,040,656</u>	<u>58,947,339</u>
Investments	6	38,913,422	122,266,767
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	7	305,803,798	205,649,617
Cash and Bank Balances	8	19,274,304	36,425,099
Other Current Assets	9	51,572,432	53,317,550
Loans and Advances	10	104,042,477	134,970,334
		<u>480,693,011</u>	<u>430,362,600</u>
<b>Less Current Liabilities and Provisions</b>			
Liabilities	11	75,627,271	75,855,116
Provisions		26,980,807	22,058,403
		<u>102,608,078</u>	<u>97,913,519</u>
Net Current Assets		<u>378,084,933</u>	<u>332,449,081</u>
Profit and Loss Account		152,051,083	126,155,625
		<u>604,090,094</u>	<u>639,818,812</u>
Notes on Accounts	16		

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse & Co  
Firm Registration Number 007567S  
Chartered Accountants



Shvakumar Hegde  
Partner  
Membership Number 204627  
Place Bangalore  
Date September 7, 2010



Mohan Sekhar  
Director



Sham Patel  
Director



Santhosh Raja  
Company Secretary





COLLABERA SOLUTIONS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	2010 Rs	2009 Rs
<b>INCOME</b>			
Services	12	1,077,345,077	895,911,238
Other Income	13	9,281,357	9,816,659
		<u>1,086,626,434</u>	<u>905,727,897</u>
<b>EXPENDITURE</b>			
Operating and Other Expenses	14	1,051,863,604	935,115,372
Depreciation		35,312,102	44,982,376
Interest	15	15,546,186	25,021,262
		<u>1,102,721,892</u>	<u>1,005,119,010</u>
(Loss) for the year before Taxation		(16,095,458)	(99,391,113)
<b>(Add) Provision for Taxation (Schedule 16 Note 14)</b>			
Current Tax		(9,800,000)	-
MAT Credit Entitlement		-	-
Fringe Benefit Tax		-	(2,681,374)
Deferred Tax (Charge)/ Credit		-	-
		<u>(9,800,000)</u>	<u>(2,681,374)</u>
(Loss) after Taxation		(25,895,458)	(102,072,487)
(Loss) brought forward from previous year		(126,155,625)	(24,083,138)
		<u>(126,155,625)</u>	<u>(24,083,138)</u>
(Loss) carried to the Balance Sheet		<u>(152,051,083)</u>	<u>(126,155,625)</u>
<b>Earnings Per Share (Nominal Value of Equity share - Re 1 each)</b>			
- Basic and Diluted (Schedule 16 Note 16)		(0 12)	(0 64)

Notes on Accounts

16

The Schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse & Co.

Firm Registration Number: 0075675

Chartered Accountants



Shivakumar Hegde

Partner

Membership Number 204627

Place Bangalore

Date September 7, 2010



Mohan Sekhar  
Director



Sham Patel  
Director



Santhosh Raja  
Company Secretary



COLLABERA SOLUTIONS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	2010 Rs	2009 Rs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before Taxation	(16,095,458)	(99,391,113)
Adjustments for:		
Depreciation	35,312,102	44,982,376
Interest on Loans	15,546,186	25,021,262
(Profit)/ Loss on Sale/ Scrapping of Fixed Assets (Net)	(181,990)	(432,923)
Interest Income	(6,384,130)	(9,012,414)
Provision for diminution in value of Investment	126,153,943	-
Unrealised Foreign Exchange Loss/ (Gain)	(1,349,070)	(5,080,887)
<b>Operating profit before working capital changes</b>	<b>153,001,583</b>	<b>(43,913,699)</b>
Adjustments for:		
Trade and Other Receivables	(100,215,928)	(22,219,195)
Current Liabilities and Provisions	5,853,535	(46,912,355)
Adjustment for Unrealised Foreign Exchange Loss/ (Gain)	(2,793,172)	(1,388,183)
<b>Cash used in operations</b>	<b>55,846,018</b>	<b>(114,433,432)</b>
Income tax paid, net of refunds	(2,090,897)	(4,516,346)
Fringe benefit tax paid	(177,400)	(5,801,854)
<b>Net Cash from/ (used in) Operating Activities</b>	<b>53,577,721</b>	<b>(124,751,632)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(10,143,355)	(21,306,645)
Sale of Fixed Assets	512,066	480,419
Purchase of Investments	(42,800,598)	5,629,583
Loans given to Subsidiary Company	-	(13,500,000)
Loans repaid by Subsidiary Company	23,275,000	4,500,000
Interest received	8,312,149	6,090,325
Finance Lease payment	(1,219,288)	(1,806,121)
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(22,064,026)</b>	<b>(19,912,439)</b>

Contd



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**COLLABERA SOLUTIONS PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010 - Contd.**

	2010	2009
	Rs.	Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital (Including Share Premium)	-	145,857,840
Refund of Share Application money	-	-
Proceeds from Borrowings	865,884,100	689,772,943
Adjustment for Unrealised Foreign Exchange (Loss)/ Gain	<u>4,239,954</u>	870,124,054
Repayment of Borrowings	(901,985,670)	(639,840,691)
Interest paid (Including on finance lease)	(16,705,162)	(23,722,805)
<b>Net Cash from/ (used in) Financing Activities</b>	<b>(48,566,778)</b>	<b>172,067,287</b>
Adjustment for unrealised foreign exchange loss/ (gain) on cash and cash equivalents	(97,712)	80,317
<b>Net Increase/(decrease) in cash and cash equivalents during the year</b>	<b>(17,150,795)</b>	<b>27,483,533</b>
Cash and cash equivalents as at March 31, 2009		
Cash and Bank Balances*	36,425,099	8,941,566
Cash and cash equivalents as at March 31, 2010		
Cash and Bank Balances*	19,274,304	36,425,099

\* Refer Schedule 8

**Notes**


- 1 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2010 and the relative Profit and Loss Account for the year ended on that date
- 2 The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements and the reallocations required for the purpose are as made by the Company
- 3 Previous year's figures have been regrouped/ reclassified wherever necessary to conform with current year's classification

This is the Cash Flow statement referred to in our report of even date

For Price Waterhouse & Co.  
Firm Registration Number 0075675  
Chartered Accountants



**Shrivakumar Hegde**  
Partner  
Membership Number- 204627  
Place Bangalore  
Date September 7, 2010

  
Mohan Sekhar  
Director

  
Sham Patel  
Director

  
Santhosh Raja  
Company Secretary


**COLLABERA SOLUTIONS PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS**

	2010 Rs	2009 Rs.
<b>1 CAPITAL</b>		
<b>Authorised</b>		
327,500 (2009. 327,500) Participatory Convertible Preference Shares of Rs 100 each (Schedule 16 Note 19)	32,750,000	32,750,000
217,250,000 (2009 217,250,000) Equity Shares of Rs 1 each	217,250,000	217,250,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, subscribed and paid up</b>		
327,500 (2009 327,500) Participatory Convertible Preference Shares of Rs 100 each fully paid in cash [Refer Note (i) below]	32,750,000	32,750,000
217,250,000 (2009 217,250,000) Equity Shares of Rs 1 each fully paid in cash [Refer Note (ii) and (iii) below]	217,250,000	217,250,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Notes</b>		
(i) The above preference shares are held by GCI Global Ventures, Mauritius, the holding company		
(ii) Of the above equity shares, 200,987,068 (2009 199,683,381) shares are held by GCI Global Ventures, Mauritius, the holding company		
(iii) During the year an ex-employee has transferred 1,303,687 (2009 Nil) equity shares to the holding company		
<b>2 RESERVES AND SURPLUS</b>		
<b>Share Premium Account</b>		
As per last Balance Sheet	152,481,955	64,967,251
Add Addition during the year	-	87,514,704
	<u>152,481,955</u>	<u>152,481,955</u>
<b>3. SECURED LOAN</b>		
From Companies (Note)	2,766,214	2,393,362
	<u>2,766,214</u>	<u>2,393,362</u>
Note Represents principal portion of minimum lease payments payable for assets acquired on finance lease [Schedule 16 Note 13 (ii)]		
<b>4 UNSECURED LOANS</b>		
From Banks		
Cash Credit Accounts	198,841,925	234,943,495
	<u>198,841,925</u>	<u>234,943,495</u>



*[Handwritten signature]*

*[Handwritten signature]*



COLLABERA SOLUTIONS PRIVATE LIMITED

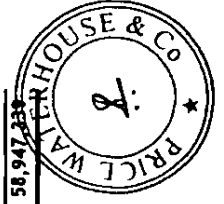
SCHEDULE TO ACCOUNTS

5 FIXED ASSETS [Schedule 16 Note 1(ii)]

	Rs									
	Gross Block (at cost)		Depreciation				Net Block			
	2009	2010	2009	2010	2010	2010	2010	2009		
Goodwill	50,000,000	50,000,000	50,000,000	50,000,000	-	-	-	-	-	
Leasehold Improvements	37,411,340	40,281,202	18,771,783	4,992,359	-	23,764,142	16,517,060	18,639,557		
Electrical Equipment	19,963,176	19,893,176	17,968,897	796,180	70,000	18,695,077	1,198,099	1,994,279		
Computer Systems	120,522,895	105,021,696	108,650,915	11,413,128	18,822,100	101,241,943	3,779,753	11,871,980		
Computer Software	77,295,491	78,070,805	66,426,774	8,585,763	-	75,012,537	3,058,268	10,868,717		
Office Equipment	20,954,026	21,358,391	15,577,357	6,400,081	1,747,619	20,229,819	1,128,572	5,376,669		
Furniture and Fixtures	30,380,109	29,562,307	23,955,885	1,741,301	2,109,845	23,587,341	5,974,966	6,424,224		
Vehicles	438,427	885,465	52,851	87,611	-	140,462	745,003	385,576		
Assets acquired on Finance Lease										
Vehicles	3,850,482	4,338,281	1,508,008	1,295,679	1,104,341	1,699,346	2,638,935	2,342,474		
	360,815,946	349,411,323	302,912,470	35,312,102	23,853,905	314,370,667	35,040,656	57,903,476		
2009	351,898,649	360,815,946	269,012,591	44,982,376	11,082,497	302,912,470				

Capital Work-in-Progress [includes Capital Advances Nil (2009 Rs 1,043,863)]

1,043,863  
35,040,656 58,947,239



**COLLABERA SOLUTIONS PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS**

	2010 Rs	2009 Rs
<b>6. INVESTMENTS [Schedule 16 Note 1(iv)]</b>		
(At Cost, Long Term, Unquoted)		
<b>Trade Investments</b>		
CPA2Biz Inc, USA		
663 (2009 663) Equity shares of US\$ 0.01 each fully paid up	213,012	213,012
<b>Subsidiary Companies</b>		
Collabera Enterprise Software Solutions Private Limited		
9,999 (2009 8000) Equity shares of Rs 10 each fully paid up (Schedule 16 Note 17)	165,067,338	122,266,740
IVL India Private Limited (Note)		
1 (2009 1) Equity share of Rs 10 each fully paid up	27	27
	<u>165,280,377</u>	<u>122,479,779</u>
(Less) Provision for diminution in value of Investments	<u>(126,366,955)</u>	<u>(213,012)</u>
	<u>38,913,422</u>	<u>122,266,767</u>

Note: IVL India Private Limited is a subsidiary of Collabera Enterprise Software Solutions Private Limited

**7 SUNDRY DEBTORS**

(Unsecured, considered good, unless otherwise stated)

<b>Exceeding Six Months</b>		
Considered Doubtful	5,404,399	4,221,975
Considered Good	1,359,196	7,336,825
<b>Others</b>		
Considered Good (Note)	304,444,602	198,312,792
	<u>311,208,197</u>	<u>209,871,592</u>
(Less) Provision for Doubtful Debts	<u>(5,404,399)</u>	<u>(4,221,975)</u>
	<u>305,803,798</u>	<u>205,649,617</u>

Note Includes unbilled receivables Rs 46,461,702 (2009 Rs 39,654,195)



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**COLLABERA SOLUTIONS PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS**

	2010	2009
	Rs	Rs
<b>8. CASH AND BANK BALANCES</b>		
Cash on hand	7,820	10,233
Balances with Scheduled Banks		
- Current Accounts [Including Exchange Earners Foreign Currency (EEFC) Account Rs 1,311,589 (2009 Rs 19,417,904)]	4,240,727	21,314,393
- Term Deposits (Note)	1,180,265	1,705,947
Balances with Non-Scheduled Banks		
- Citibank N A, San Jose, USA Current and Collection Accounts [Maximum amount outstanding at any time during the year Rs 46,907,458 (2009 Rs 70,961,237)]	12,972,875	12,660,962
- HSBC Bank Plc , London, UK Current and Collection Accounts [Maximum amount outstanding at any time during the year Rs 4,666,659 (2009 Rs 2,535,846)]	872,617	733,564
	<u>19,274,304</u>	<u>36,425,099</u>
Note Including Nil (2009 Rs 1,000,000) towards margin money on bank guarantees		
<b>9 OTHER CURRENT ASSETS</b> (Unsecured, considered good, unless otherwise stated)		
Other Deposits [Including considered doubtful Rs.900,000 (2009 Rs 900,000)]	46,940,028	46,656,730
Interest Accrued on Loans to Subsidiary Company	5,532,404	7,560,820
	<u>52,472,432</u>	<u>54,217,550</u>
(Less) Provision for Doubtful Deposits	(900,000)	(900,000)
	<u>51,572,432</u>	<u>53,317,550</u>
<b>10 LOANS AND ADVANCES</b> (Unsecured, considered good)		
Loans to Subsidiary Company	64,725,000	88,000,000
Loans to Employees	1,089,804	1,073,706
Prepaid Expenses	7,608,486	6,084,991
Income Tax (Net)	1,043,836	8,752,939
Fringe Benefit Tax (Net)	370,880	193,480
Advance towards purchase of shares	-	6,000,000
Advances recoverable in cash or in kind or for value to be received	29,204,471	24,865,218
	<u>104,042,477</u>	<u>134,970,334</u>



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**COLLABERA SOLUTIONS PRIVATE LIMITED**

**SCHEDULES TO ACCOUNTS**

	2010 Rs	2009 Rs.
<b>11. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. LIABILITIES</b>		
Sundry Creditors		
Due to Micro Enterprises and Small Enterprises (Schedule 16 Note 9)	-	-
Others	22,519,705	25,179,665
Other Liabilities	53,088,766	49,497,675
Interest accrued but not due on loans	18,800	1,177,776
	<u>75,627,271</u>	<u>75,855,116</u>
<b>B. PROVISIONS</b>		
Gratuity	14,393,589	12,258,094
Compensated Absences	12,587,218	9,800,309
	<u>26,980,807</u>	<u>22,058,403</u>
<b>12. SERVICES [Schedule 16 Note 1(vi)]</b>		
Exports	1,003,698,857	857,778,398
Domestic	73,646,220	38,132,840
	<u>1,077,345,077</u>	<u>895,911,238</u>
<b>13 OTHER INCOME</b>		
Interest from Banks (Gross) [Tax deducted at source Rs 10,479 (2009 Rs 514,042)]	116,825	1,165,677
Interest - Others (Gross) [Tax deducted at source Nil (2009 Nil)]	6,267,305	7,846,737
Profit on Sale of Fixed Assets (Net)	181,990	432,923
Miscellaneous	2,715,237	371,322
	<u>9,281,357</u>	<u>9,816,659</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2010 Rs	2009 Rs.
<b>14. OPERATING AND OTHER EXPENSES</b>		
<b>Employees Cost.</b>		
Salaries, Bonus, etc	656,788,289	639,402,965
Contribution to Provident and Other Funds	29,407,362	29,865,343
Staff Welfare	38,388,952	40,515,340
	<u>724,584,603</u>	<u>709,783,648</u>
Rent	52,875,506	53,403,217
Rates and Taxes	518,774	144,406
Power and Fuel	13,418,826	13,843,480
Insurance	11,604,804	13,475,136
Repairs and Maintenance - Others	7,321,147	3,101,421
Legal and Professional	26,780,293	32,270,740
Professional - Others	21,059,079	11,646,484
Communication	12,167,142	16,664,157
Travelling and Conveyance	38,432,605	35,998,868
Advertisement and Promotion	2,586,740	3,041,518
Provision for Diminution on Investment [Schedule 16 Note 17(b)]	126,153,943	-
Provision for Doubtful Debts	1,182,424	3,280,001
Exchange Loss (Net)	2,101,371	25,726,466
Miscellaneous	11,076,347	12,735,830
	<u>1,051,863,604</u>	<u>935,115,372</u>
<b>15. INTEREST</b>		
On Fixed Loans	382,633	468,212
Others	15,163,553	24,553,050
	<u>15,546,186</u>	<u>25,021,262</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS

Rs

1 Significant Accounting Policies

(i) Basis of preparation of financial statements

The financial statements are prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards (AS) notified under Section 211(3C) of the Companies Act, 1956 of India, and the relevant provisions of the said Act

(ii) Fixed Assets and Depreciation:

Fixed assets are capitalised at their original cost of acquisition and subsequent improvements thereto including taxes, duties and other incidental expenses related to acquisition and installation of assets concerned

Operating software is capitalised along with the related fixed assets while application software are depreciated fully in the year of purchase, except for major application software, which are amortised over its useful life as determined by the management

Depreciation is provided on a straight line method (SLM) at rates based on estimated useful life of assets as given below

	<u>Rate of Depreciation</u>
Electrical Equipment and Furniture and Fixtures	20%
Computer Systems, Computer Software and Office Equipment	50%
Vehicles	20%

Leasehold Improvements are amortised over the period of lease or five years, whichever is lower

Assets acquired on finance lease are amortised over the lease period or estimated useful life, whichever is lower

Assets individually costing up to rupees five thousand are fully depreciated in the year of purchase

(iii) Leases

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term

(iv) Investments

Long term Investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of Investments. Current Investments are stated at lower of cost and fair value

(v) Foreign Currency Transactions:

Transactions in foreign currencies are recognised at rate of exchange ruling on the date of the transaction

All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/ losses arising thereon are adjusted to the Profit and Loss Account

Premium or discount arising at the inception of forward contract is amortised as expense or income over the life of the contract. Exchange differences on forward contracts and profit or loss arising on cancellation or renewal of forward contracts are recognised in the Profit and Loss Account in the reporting period in which the exchange rates change



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS - Contd

Rs.

(vi) Revenue Recognition

- (a) Revenue from fixed price long-term contracts is recognised over the contract term based on the percentage of services that are provided during the period compared with the total estimated services to be provided over the entire contract. The cumulative impact of any revision in estimates of the percent complete is reflected in the period in which the change becomes known.
- (b) Revenue from software development in case of time basis contracts and other revenue are recognised as the services are provided.
- (c) Revenue from software development services with related parties are recognised based on services rendered on a cost plus basis and billed as per the terms of agreement (Note 18 below).
- (d) Other revenues are recognised rateably over the contractual period or as the services are rendered.
- (e) Revenue in excess of billings on service contracts is recorded as unbilled receivables and is included in trade accounts receivables. Advance payments/ billed in advance of services performed are recorded as current liabilities/ deferred income.

(vii) Employee Benefits

a) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc and are recognised as expense in the period in which the employee renders the related service.

b) Defined-contribution plans

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz , Provident Fund), and the Company's contributions thereto are charged to Profit and Loss Account every year. The Company's contributions to State plans (viz , Employees State Insurance and Employee Pension Scheme) are also charged to Profit and Loss Account as expense during the period in which the employees perform the service.

c) Defined-benefit plans

The Company has a defined benefit plan (viz , Gratuity) for employees, the liability for which is determined on the basis of valuation carried out by an independent actuary (under projected unit credit method) at the Balance Sheet date.

d) Other long term employee benefits

Other long term employee benefits including compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuation (under projected unit credit method) carried out at the Balance Sheet date.

e) Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions, and are recognised immediately in the Profit and Loss Account as income or expense.

(viii) Taxes on Income.

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Fringe benefit tax (applicable upto March 31, 2009), is determined at current applicable rates on expenses falling within the ambit of 'fringe benefit' as defined under the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd

Rs.

(viii) Taxes on Income - Contd.

reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available against which such deferred tax asset can be realised

(ix) Earnings per Share

Earnings/ (loss) per equity share (basic and diluted) is arrived at based on net profit/ (loss) after taxation to the weighted average number of equity shares

(x) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

Provisions for onerous contracts (i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent liabilities are disclosed when there is a possible obligation or a present obligation that may (but probably will not) require an outflow of resources.

(xi) Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Profit and Loss Account to the extent the carrying amount exceeds the recoverable amount.

	2010	2009
2. Estimated amount of contracts to be executed on capital account (net of advances) and not provided for	-	731,958
3. Contingent Liabilities:		
Bank guarantees	1,000,000	1,000,000
Customs and Excise duty (Note)	2,736,528	2,736,528
<p>Note: The Department has demanded duty on certain imported/ indigenously procured duty free goods, which the Company has disputed and filed an appeal with the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore. CESTAT has passed an order in favour of the Company on February 10, 2009, by setting aside the order of the Department. The Department has subsequently preferred an appeal before the High Court of Karnataka, which is now pending for hearing. However, the entire amount has been paid under protest and included under Loans and Advances (Schedule 10).</p>		
4. CIF value of Imports		
Capital Goods	2,756,985	9,236,770
5. Expenditure in foreign currency.		
Salaries, Bonus, etc	194,703,990	227,885,084
Legal and Professional charges	23,974,240	15,573,692
Travelling and Conveyance	33,172,633	32,064,733
Others	17,226,778	20,147,794



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd

	2010	2009
<b>6 Earnings in Foreign Currency</b>		Rs
Income from Services (including unbilled revenue)	1,003,698,857	857,778,398
<b>7 Auditors' Remuneration (included under Legal and Professional charges in Schedule 14*)</b>		
Statutory Audit	1,000,000	1,000,000
Tax Audit	200,000	200,000
Other reporting engagement	250,000	-
Out of pocket expenses	19,450	36,916
* Excluding service tax		
<b>8 Managerial Remuneration (Note)</b>		
Salaries, Bonus, etc	12,437,080	12,036,015
Contribution to Provident and Other Funds	384,000	330,000
Perquisites (valued in accordance with Income Tax Rules)	3,404	450,000
	<u>12,824,484</u>	<u>12,816,015</u>

Note Provision for employee benefits, which are based on actuarial valuation carried out on an overall Company basis, is excluded

- 9 Disclosures of dues/ payments to micro and small enterprises to the extent such enterprises are identified by the Company:
- (i) The principal amount remaining unpaid as at March 31, 2010  
(ii) Interest due thereon remaining unpaid on March 31, 2010
  - The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year
    - Delayed payments of principal amount paid beyond the appointed date during the entire accounting year
    - Interest actually paid under Section 16 of the Act, during the entire accounting year
  - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act
  - The amount of interest accrued and remaining unpaid on March 31, 2010:
    - Total interest accrued during the year
    - Total interest remaining unpaid, out of the above, as at March 31, 2010
  - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act

Note The Company has a process of identifying enterprises that have provided services to the Company and which may qualify under the definition of micro or small enterprises, as defined under MSMED Act and accordingly, circularised letters of confirmation to selected vendors this year. However, no replies have been received from vendors confirming their registration as micro or small enterprises under the MSMED Act. The management does not envisage interest obligation, if any, to have any material impact on the financial statements in this regard, which has been relied upon by the auditors.



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS - Contd

Rs.

10 Employee Benefits

Disclosure envisaged under AS 15 - Employee Benefits, are given below

(a) Defined Contribution Plans

The Company has recognised Rs 24,572,388 (2009 Rs 22,560,485) as expense in the Profit and Loss Account in respect of defined contribution plans (viz, Provident Fund and Employees Pension Scheme), which is disclosed under 'Contribution to Provident and Other Funds (Schedule 14)

(b) Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the gratuity plan) to its employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company

	2010	2009
<b>A Changes in the defined benefit obligation during the period</b>		
Obligation at the beginning of the year	12,902,487	8,876,002
Current service cost	4,150,437	4,351,235
Interest cost	966,330	506,519
Actuarial (gain)/loss on obligation	(242,015)	2,448,777
(Less) Benefit paid during the year	(1,646,718)	(3,280,046)
Past service cost	-	-
Obligation at the end of the year	16,130,521	12,902,487
<b>B Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Plan assets at the beginning of the year	644,393	(80,646)
Add Contributions by the Company	3,000,000	3,999,380
(Less) Risk premium + Service Tax	(355,162)	-
Add Expected return on plan assets	91,476	19,531
Add Actuarial gains/ (losses)	2,943	(13,826)
(Less) Benefits paid	(1,646,718)	(3,280,046)
Plan assets at the end of the year	1,736,932	644,393
<b>C Net asset/ (liability) recognised in the Balance Sheet</b>		
Present value of obligation at the end of the year	(16,130,521)	(12,902,487)
Fair value of plan assets at the end of the year	1,736,932	644,393
Amount recognised in the Balance Sheet	(14,393,589)	(12,258,094)
<b>D Expenses recognised in the Profit and Loss Account</b>		
Current service cost	4,150,437	4,351,235
Interest cost	966,330	506,519
Expected return on plan assets	(91,476)	(19,531)
Actuarial (gains)/ losses due to change in assumptions	(244,958)	2,462,603
Total expenses recognized in the Profit and Loss Account	4,780,333	7,300,826
<b>E Investment details of plan assets</b>		
Fund balance with insurance companies	100%	100%
<b>F Actual return on plan assets</b>	-	5,705



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COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd

10 Employee Benefits - Contd

Rs

(b) Defined Benefit Plan - Contd

G Assumptions	2010	2009
Discount rate (per annum)	8.0%	7.0%
Expected rate of return on plan assets	8.0%	8.0%
Retirement age	60	60

H Current and previous periods disclosure of present value of defined benefit obligation, fair value of plan assets, surplus/ deficit in the plan and experience adjustment	2010	2009	2008
Present value of defined benefit obligation	16,130,521	12,902,487	8,876,002
Fair value of plan assets	1,736,932	644,393	(80,646)
Surplus/ (deficit)	(14,393,589)	(12,258,094)	(8,956,648)
Experience adjustments to plan liabilities	(242,015)	2,448,777	(83,515)
Experience adjustments to plan assets	2,943	(13,826)	(10,754)

Notes.

- (i) The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligation
- (ii) The long term estimate of expected rate of return on fund assets has been arrived at. Based on the allocation and prevailing yields on these assets assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds
- (iii) The salary escalation rate is the estimate of future salary increase considered taking into account inflation, seniority, promotion and other relevant factors

11 Segment Reporting:

a) Primary Segment:

The Company's operations relate predominantly to software development and software support services, and accordingly, primary reporting disclosures for business segment, as envisaged in AS 17 on Segment Reporting, is not applicable

b) Secondary Segment:

The Company renders service in India and exports to the following regions - USA, Europe and other regions Accordingly, secondary segment reporting has been made in accordance with those geographic segments

Assets used in the Company's business and liabilities contracted are no identifiable in line with the following reportable segments as the assets and liabilities contracted are used interchangeably between segments Accordingly, no disclosures relating to other segment assets and liabilities have been made

	USA	Europe	India	Rest of World	Total
External Sales (Gross)	824,287,783	179,012,746	73,646,220	398,328	1,077,345,077
	(634,985,902)	(220,343,631)	(38,132,840)	(2,448,865)	(895,911,238)

Note Figures in brackets relate to previous year



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**COLLABERA SOLUTIONS PRIVATE LIMITED**

**SCHEDULE TO ACCOUNTS**

16 **NOTES ON ACCOUNTS - Contd.**

**Rs.**

12 **Related Party Disclosures:**

**A Names of related parties and description of relationship**

<b>Ref</b>	<b>Description of relationship</b>	<b>Names of related parties</b>
<b>a</b>	<b>Parties where control exists:</b>	
(I)	Ultimate Holding Company	Collabera Inc , USA (CIU)
(II)	Immediate Holding Company	GCI Global Ventures, Mauritius (GVM)
(III)	Subsidiaries	Collabera Enterprise Software Solutions Private Limited, India (CESS) IVL India Private Limited, India (IVL)
<b>b.</b>	<b>Parties under common control with whom transactions have taken place during the year:</b>	
(i)	Fellow Subsidiaries	Collabera Technologies Private Limited, India (CTPL)
<b>c</b>	<b>Key management personnel (KMP):</b>	
(i)	Wholetime Director	Mohan Sekhar Jawahar Bekay *
(ii)	Relative of KMP	Sureka Bekay (Spouse of Jawahar Bekay)

\* Resigned as Director effective December 31, 2008, no transactions during the year



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COLLABERA SOLUTIONS PRIVATE LIMITED  
SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

12. Related Party Disclosures - Contd.:

B Summary of transactions with related parties is as follows

Nature of transaction	Ultimate Holding Company [A a(i)], Holding Company [A a(ii)] and Subsidiaries [A a(iii)]		Fellow subsidiaries [A b(i)]		KMP and relative of KMP [A c(i) and A c(ii)]		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Income from Services:								
CIU	419,183,908	170,923,305	-	-	-	-	419,183,908	170,923,305
Interest on Loan								
CESS	6,267,305	7,659,555	-	-	-	-	6,267,305	7,659,555
Expense Reimbursements								
CIU	21,355,338	9,462,609	-	-	-	-	21,355,338	9,462,609
Company leased accommodation:								
Surekha Bekay	-	-	-	-	-	450,000	-	450,000
Employees cost:								
Mohan Sekhar	-	-	-	-	12,824,484	6,284,210	12,824,484	6,284,210
Jawahar Bekay	-	-	-	-	-	6,531,805	-	6,531,805
Equity contribution including premium:								
GVM	-	145,857,840	-	-	-	-	-	145,857,840
Loan given:								
CESS	-	13,500,000	-	-	-	-	-	13,500,000
Loan Received								
CTPL	-	-	10,000,000	-	-	-	10,000,000	-

Rs.




COLLABERA SOLUTIONS PRIVATE LIMITED  
SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

12 Related Party Disclosures - Contd :

Rs.

B Summary of transactions with related parties is as follows - Contd

Nature of transaction	Ultimate Holding Company [A a(i)], Holding Company [A a(ii)] and Subsidiaries [A a(iii)]		Fellow subsidiaries [A b(i)]		Key Management Personnel [A c(i) and A c(ii)]		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Loan repaid:								
CESS	23,275,000	4,500,000	-	-	-	-	23,275,000	4,500,000
CTPL	-	-	10,000,000	-	-	-	10,000,000	-
Advance received:								
CIU	-	9,770,000	-	-	-	-	-	9,770,000
Balance as at the year end -								
Outstanding Payable:								
CIU	3,861,808	6,847,531	-	-	-	-	3,861,808	6,847,531
CTPL	-	-	-	285,000	-	-	-	285,000
Outstanding Receivable:								
CIU*	173,858,181	33,889,474	-	-	-	-	173,858,181	33,889,474
CESS	5,532,404	7,925,717	-	-	-	-	5,532,404	7,925,717
Unsecured loan:								
CESS	64,725,000	88,000,000	-	-	-	-	64,725,000	88,000,000

\* Includes unbilled receivables Rs 23,906,054 (2009: Rs 27,787,901)

Note The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors




COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS - Contd.

13 (i) Operating Leases

	Rs.	
	2010	2009
Operating lease for office premises and other facilities are generally for a period of 11 to 119 months and renewable on a periodic basis by mutual consent of both parties. Most of the operating leases provide for a percentage increase in rent, at the end of the original lease term (except in some cases where the escalation is after 36 months), for future renewed periods. The operating leases are cancellable by the lessor and the lessee, with a notice of 1 to 3 months. However, some of the operating leases have lock-in period ranging from 12 months to 60 months.		
Rent [including minimum lease payments Rs 18,460,335 (2009 Rs 18,225,012)]	52,875,506	53,403,217
Future minimum lease rentals payable under non-cancellable leases		
- not later than one year	52,218,764	17,155,200
- later than one year and not later than five years	184,417,333	48,772,418
- later than five years	-	-
	<u>236,636,097</u>	<u>65,927,618</u>

(ii) Finance Lease.

The Company has acquired motor vehicles generally on a one to four year lease terms, which is classified as finance lease as envisaged under AS 19 - Leases

	2010	2009
Minimum lease payments		
Not later than one year	1,420,560	1,158,741
Later than one year and not later than five years	1,855,905	1,575,522
	<u>3,276,465</u>	<u>2,734,263</u>
Less Interest not due		
Not later than one year	280,161	207,573
Later than one year and not later than five years	230,090	133,328
	<u>510,251</u>	<u>340,901</u>
Present value of minimum lease payments		
Of the above		
Not later than one year	1,140,399	951,168
Later than one year and not later than five years	1,625,815	1,442,194
	<u>2,766,214</u>	<u>2,393,362</u>

14 Taxation

(i) Transfer Pricing

The Finance Act, 2001 has introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the date of filing the return of income.

For the fiscal year ended March 31, 2009, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the Accountant has been obtained and this did not envisage any tax liability.

For the fiscal year ended March 31, 2010, the Company will carry out the study to comply with the said regulations.



*[Handwritten signature]*



COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS - Contd

Rs.

14 Taxation - Contd

(ii) Deferred tax.

Potential deferred tax asset aggregating to Rs 49,843,255 (2009 Rs 66,161,183) [including Rs 23,913,841 (2009 Rs 48,171,622) on unabsorbed depreciation and carry forward loss] has not been recognised in these accounts in the absence of "virtual certainty supported by convincing evidence" that sufficient future taxable income will be available for set off. However, this position will be reassessed at every period end and the deferred tax asset will be accounted for, if appropriate.

(iii) Minimum Alternative Tax:

In accordance with the Guidance Note on "Accounting for Credit available in respect of Minimum Alternative tax (MAT) under the provisions of Section 115JB of the Income Tax Act, 1961", issued by Institute of Chartered Accountants of India, companies can recognise MAT credit entitlement as an asset only when and to an extent there is convincing evidence that they will pay normal Income Tax during the specific period.

As at the balance sheet, there is no convincing evidence that the Company will pay normal income tax during the specified period and accordingly the MAT Credit Entitlement asset relating to current year amounting to Rs 9,800,000 (2009 Nil) has not been created.

15 (i) The Company had introduced various stock option plans for its employees, directors and consultants, viz, Employee Stock Option Plan (ESOP), Chief Executive Officer Stock Option Plan (CEOSOP) and Consultant Stock Option Plan (CSOP) respectively. However, as at the Balance Sheet date, the only major existing ESOP is "GCI Solutions Private Limited Employee Stock Offer Plan, 2006".

In accordance with the Guidance Note on 'Accounting for Employee Share-based Payments' as referred to in para 1 of Accounting Standard 15 on 'Employee Benefits', the Company has used fair value method to determine value of stock options granted and accounting for share-based payments. As determined by an independent valuer, the estimated fair value of stock options granted is Rs 1.84 per share against an exercise price of Rs 3.75 per share. As the fair value does not exceed exercise price, the Company has not recognised any employee compensation expense for the year.

As stipulated by the aforesaid Guidance Note, the details of such options as at the year-end are as under:

	2010	2009
Options outstanding at the beginning of the year	2,832,418	2,832,418
Options granted (i.e., number of shares to be issued)	-	-
Options forfeited (i.e., number of shares not utilised)	78,750	582,925
Options exercised (i.e., number of shares issued)	-	-
Options outstanding at the end of the year (i.e., number of shares to be issued in future)	2,832,418	2,832,418

(ii) The Company has issued share warrants to promoter and non promoter directors, overseas investors, employees and consultants in accordance with resolutions passed by the shareholders. As at March 31, 2010, 5,725,123 (2009 5,725,123) number of share warrants are outstanding for conversion into equity shares of Rs.1 each, in future periods, at the option of the holders.



*[Handwritten signature]*



COLLABERA SOLUTIONS PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd

16 Earnings per Share

Rs

	2010	2009
Nominal value of equity share	1	1
Weighted average number of equity shares outstanding - Basic	217,250,000	159,066,708
Weighted average number of equity shares outstanding - Diluted	254,650,838	183,765,069
(Loss) after Taxation	(25,895,458)	(102,072,487)
Loss per share - Basic	(0 12)	(0 64)
Loss per share - Diluted (anti-dilutive)	(0 12)	(0 64)

17 a) Pursuant to a Share Acquisition Agreement dated September 26, 2006 with the erstwhile shareholders of Collabera Enterprise Software Solutions Private Limited (CESS), the Company has acquired additional 1,999 shares in CESS for a consideration of Rs.42,750,000 (2009 Nil) raising the total holding in CESS to 9,999 shares (2009 8,000) and investment to Rs 165,067,365 (2009 Rs 122,266,740), which has been disclosed under Investments (Schedule 6)

b) The investment in CESS is considered strategic in nature and based on the future cash flow projections (with payback period of investment estimated to be over a period of six years), as approved by the Board Directors, the diminution of Rs 126,153,943 (2009 Nil) (being the excess of cost of investment over the aggregate of the net-worth and projected future projected cash flows over the remaining payback period of CESS), which is considered other than temporary, has been provided for in these accounts

18 With effect from April 1, 2009, the Company has changed its billing arrangement with a related party from time based contracts to cost-plus mark-up resulting in increase in revenue by Rs 76,441,931 (2009 Nil)


19 In accordance with the Share Purchase and Subscription Agreement dated December 6, 2004 (between the holding company and erstwhile shareholders of the Company), the terms of conversion of Participatory Convertible Preference Shares (PCPS) are as follows

The PCPS are compulsorily convertible at any time of the holding company's choice or at the end of six months from the date of dissolution and conclusion of escrow agreement (dated March 31, 2005), whichever is earlier, by conversion into such number of equity shares as are arrived at by dividing the face value of the PCPS by the investment price (i.e., the price per equity share calculated by dividing pre-money valuation of Rs 180,000,000 by paid up share capital of the Company on a fully diluted basis) or the adjusted investment price (i.e., the resulting amount arrived at by dividing adjusted pre-money valuation by the total number of equity shares in the paid up share capital of the Company on a fully diluted basis) as applicable

20 Other information with regard to certain other matters specified in paragraph 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 are either Nil or not applicable to the Company for the period covered by the aforesaid financial statements

21 Previous year's figures have been regrouped/ rearranged wherever necessary

For Price Waterhouse & Co  
Firm Registration No 0075675  
Chartered Accountants

  
Shivakumar Hegde  
Partner  
Membership Number 204627  
Place Bangalore  
Date September 7, 2010

  
Mohan Sekhar  
Director

  
Sham Patel  
Director

  
Senthosh Raja  
Company Secretary

