

OS AA01 *AC 23495*

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



Companies House

SATURDAY



A30 *A35691U3* 05/04/2014 #202

COMPANIES HOUSE

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

What this form is for
You cannot use this an alteration of mar with accounting req

Part 1 Corporate company name

Corporate name of overseas company **BRILLIO TECHNOLOGIES PRIVATE LIMITED**

UK establishment number **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

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

A1 Legislation

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

Legislation **INDIAN COMPANIES ACT 1956**

① This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts

A2 Accounting principles

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

Please tick the appropriate box

- No Go to Section A3
 Yes Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3

① Please insert the name of the appropriate accounting organisation or body

Name of organisation or body **INSTITUTE OF CHARTERED ACCOUNTANTS IN INDIA**

A3 Accounts

Accounts Have the accounts been audited? Please tick the appropriate box

- No Go to Section A5
 Yes Go to Section A4


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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'
Name of organisation or body ¹	INSTITUTE OF CHARTERED ACCOUNTANTS IN INDIA

¹ Please insert the name of the appropriate accounting organisation or body

A5 Unaudited accounts	
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

Part 3 Signature	
	I am signing this form on behalf of the overseas company
Signature	Signature  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 **KINGSTON SMITH LLP**

Address **DEVONSHIRE HOUSE**

60 GOSWELL ROAD

Post town **LONDON**

City/Region

Postcode **E C 1 M 7 A D**

Country **UK**

DX

Telephone **0207 566 4000**

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 NR Belfast 1

Further information

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Collabera Solutions Private Limited

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of Collabera Solutions Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report

Management's Responsibility for the Financial Statements

- 2 The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the "Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
- 4 An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

- 6 In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013,
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date




Report on Other Legal and Regulatory Requirements

- 7 As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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
- 8 As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit,
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account,
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act

For Price Waterhouse
Firm Registration Number 012754N
Chartered Accountants

Place Hyderabad
Date September 6, 2013


Sunil Kumar Basu
Partner
Membership Number 055000

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Collabera Solutions Private Limited on the financial statements as of and for the year ended March 31, 2013

- i (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year
- ii The Company is in the business of rendering services, and consequently, does not hold any inventory Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company
- iii (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act Therefore, the provisions of Clause 4(iii) (b), (c) and (d) of the said Order are not applicable to the Company
 - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- 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 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 According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise
- 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 the 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 Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Collabera Solutions Private Limited on the financial statements as of and for the year ended March 31, 2013
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- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of professional tax, the Company is regular in depositing 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 and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2013, for a period of more than six months from the date they became payable are as follows

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Due date	Date of Payment
The West Bengal State Tax on Professions, Traders, Calling and Employments Act, 1979	Professional tax	33,125	June 2012 to August 2012	21 st of subsequent month	Yet to be paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income-tax and customs duty as at March 31, 2013 which have not been deposited on account of a dispute, are as follows.

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	-*	2005-2006	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	-*	2008 - 2009	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Customs Duty	-*	2001-2002	Assistant Commissioner of Customs

* Net of amounts paid under protest or otherwise (refer note 26)

- x The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or 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 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. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company
- xiii As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company



Annexure to Independent Auditors' Report


Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Collabera Solutions Private Limited on the financial statements as of and for the year ended March 31, 2013

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- xiv In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- 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. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number 012754N
Chartered Accountants

Place Hyderabad
Date September 6, 2013


Sumit Kumar Basu
Partner
Membership Number 055000

COLLABERA SOLUTIONS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	As at March 31, 2013 Rs	As at March 31, 2012 Rs
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	3	250,000,000	250,000,000
Reserves and Surplus	4	653,248,375	416,497,970
		<u>903,248,375</u>	<u>666,497,970</u>
NON-CURRENT LIABILITIES			
Long term borrowings	5	2,339,788	5,330,117
Long term provisions	6	86,302,922	61,492,310
Other long term liabilities	7	3,038,716	1,753,301
		<u>91,681,426</u>	<u>68,575,728</u>
CURRENT LIABILITIES			
Trade Payables	8	27,389,768	26,528,062
Other current liabilities	9	143,652,698	103,307,472
Short term provisions	10	7,406,311	11,893,228
		<u>178,448,777</u>	<u>141,728,762</u>
		<u>1,173,378,578</u>	<u>876,802,460</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11	78,140,099	32,358,227
Intangible Assets	11	7,768,290	8,765,174
Capital Work in progress			11,161,071
Non current investments	12		13,952,066
Deferred Tax Asset (net)	13	78,037,607	46,218,114
Long term loans and advances	14	76,562,913	162,891,756
Other non current assets	15	73,151,329	14,516,068
		<u>313,660,238</u>	<u>289,862,476</u>
CURRENT ASSETS			
Trade Receivables	16	496,189,453	419,742,372
Cash and Bank Balances	17	216,922,845	73,279,545
Short term loans and advances	18	32,624,320	34,540,026
Other current assets	19	113,981,722	59,378,041
		<u>859,718,340</u>	<u>586,939,984</u>
		<u>1,173,378,578</u>	<u>876,802,460</u>

The notes referred to above form an integral part of the Financial Statements

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

For Price Waterhouse

Firm Registration Number 012754N

Chartered Accountants



Sunit Kumar Basu

Partner

Membership Number 055000

Place Hyderabad

Date September 6, 2013


Krishnamurthy Ramamurthy

Director

Place Bangalore

Date September 6, 2013


Sham Patel

Director

Place Morus town, NJ

Date September 6, 2013



COLLABERA SOLUTIONS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	Year ended March 31, 2013 Rs	Year ended March 31, 2012 Rs
Revenue from operations	20	2,703,524,089	2,212,753,026
Other Income	21	37,412,507	44,570,862
Total revenue		2,740,936,596	2,257,323,888
Expenses			
Employee benefits expense	22	1,875,666,777	1,523,310,521
Finance Costs	23	434,786	2,333,808
Depreciation and amortisation expense	11	68,714,735	26,994,842
Other expenses	24	479,283,853	343,742,274
Total expenses		2,424,100,151	1,896,381,445
Profit before tax		316,836,445	360,942,443
Tax Expense [Refer Note36]			
Current Tax		112,000,000	129,000,000
Deferred tax		(31,819,493)	(14,199,870)
Profit for the year		236,655,938	246,142,313

Earnings Per Share (Nominal Value of Equity share Re 1 each) [Refer Note 37]

Basic	1.09	1.13
Diluted	0.93	0.97

The notes referred to above form an integral part of the Statement of Profit and Loss

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

For Price Waterhouse

Firm Registration Number 012754N

Chartered Accountants




Sunit Kumar Basu

Partner

Membership Number 055000

Place Hyderabad

Date September 6, 2013



Krishnamurthy Ramamurthy

Director

Place Bangalore

Date September 6, 2013



Sham Patel

Director

Place Morristown, NJ

Date September 6, 2013



COLLABERA SOLUTIONS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013 Rs	Year ended March 31, 2012 Rs
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before Taxation	316,836,445	360,942,443
Adjustments for		
Depreciation and Amortisation	68,714,735	26,994,842
Interest Expenses	434,786	2,333,808
(Profit)/ Loss on Sale/ Scrapping of Fixed Assets (Net)	(218,445)	1,639,997
Interest Income	(1,528,994)	(4,024,597)
Provision for diminution in value of Investment	-	9,513,037
Provision for Doubtful Deposits	7,076,287	8,260,519
Liabilities no longer required written back	(9,768,004)	
Bad Debts Written off	2,491,969	
Unrealised Foreign Exchange Loss/ (Gain)	(3,416,025)	(8,557,344)
Operating profit before working capital changes	380,622,754	397,102,705
Adjustments for		
Changes in trade receivables, loans and advances and other assets	(43,765,372)	(86,828,031)
Changes in liabilities and provisions	28,501,758	32,694,878
Adjustment for Unrealised Foreign Exchange Loss/ (Gain)	2,771,174	7,815,312
Cash used in operations	368,130,314	350,784,864
Income tax paid, net of refunds	(146,085,391)	(117,774,631)
Net Cash from/ (used in) Operating Activities	222,044,923	233,010,233
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(95,439,032)	(39,297,369)
Sale of Fixed Assets	1,394,528	75,724
Purchase of Investments		-
Loans repaid by Subsidiary Company		5,910,000
Interest received	1,528,994	1,666,250
Finance Lease payment	-	(1,987,454)
Net Cash from/ (used in) Investing Activities	(92,515,510)	(33,632,849)

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COLLABERA SOLUTIONS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 - Contd

	Year ended March 31, 2013 Rs	Year ended March 31, 2012 Rs
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	303,972,156
Repayment of Borrowings	(2,750,551)	(467,287,850)
Interest paid (including on finance lease)	(434,786)	(1,503,808)
Net Cash from/ (used in) Financing Activities	(3,185,337)	(164,819,502)
Adjustment for unrealised foreign exchange loss/ (gain) on cash and cash equivalents	644,851	742,032
Net increase/(decrease) in cash and cash equivalents during the year	126,988,927	35,299,914
Cash and cash equivalents as at March 31, 2012		
Cash and Bank Balances*	73,279,545	37,979,631
Cash & Cash Equivalents of transferor Company as at April 1, 2012	16,654,373	-
Cash and cash equivalents as at March 31, 2013		
Cash and Bank Balances*	216,922,845	73,279,545

* Refer note 17


Notes


- 1 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2013 and the related Statement of Profit and Loss 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
- 4 In view of the merger explained in Note 38, the figures of the current year are not comparable with those of the prior financial year


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

For Price Waterhouse

Firm Registration Number 012754N
Chartered Accountants


Sunit Kumar Basu
Partner
Membership Number 055000
Place Hyderabad
Date September 6, 2013


Krishnamurthy Ramamurthy
Director
Place Bangalore
Date September 6, 2013


Sham Patel
Director
Place Motrustown, NJ
Date September 6, 2013



COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

1. Company Overview

Collabera Solutions Private Limited is engaged in the business of providing Information Technology services of software development, maintenance, software testing and consulting solutions and sale of customised software licence

2 Summary of Significant Accounting Policies

(i) Basis of preparation of financial statements

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956 Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

(ii) Tangible / Intangible Assets

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

(iii) Depreciation / Amortisation

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 / Amortisation</u>
Computer Systems, Computer Software and Office Equipment	50%
Electrical Equipment and Furniture and Fixtures	20%
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 above estimated useful life, whichever is lower

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



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

(iv) 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 Statement of Profit and Loss on a straight line basis over the lease term.

(v) 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.

(vi) Foreign Currency Transactions:

Transactions in foreign currencies are recognised at rate of exchange ruling on the date of the transaction. The exchange difference resulting from settled transactions is recognised in the statement of profit and loss.

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 there from are recognised in the statement of Profit and Loss.

(vii) 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.
- (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 under other current assets. Advance payments/ billed in advance of services performed are recorded under other current liabilities.
- (f) Revenue from customised software licences are recognized based on proportionate completion method and are recorded exclusive of taxes, where applicable.



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

(viii) 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's contribution towards 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, namely, Provident Fund, Employee Pension Scheme, etc are charged to Statement of Profit and Loss as expense during the period in which the employees perform the service

(c) Defined-benefit plans

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

(d) Other long term employee benefits

Other long term employee benefits 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 Statement of Profit and Loss Account as income or expense

(ix) Taxes on Income:

Current tax is determined in accordance with the provisions of 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 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

(x) 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



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

(xi) 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.

(xii) 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 Statement of Profit and Loss Account to the extent the carrying amount exceeds the recoverable amount.

(xiii) Cash and Cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

3 SHARE CAPITAL

	As at March 31, 2013	As at March 31, 2012
Authorised		
217,250,000 (2012 217,250,000) Equity Shares of Re 1 each	217,250,000	217,250,000
327,500 (2012 327,500) Participatory Convertible Preference Shares of Rs 100 each	32,750,000	32,750,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid up		
217,250,000 (2012 217,250,000) Equity Shares of Re 1 each	217,250,000	217,250,000
327,500 (2012 327,500) Participatory Convertible Preference Shares of Rs 100 each	32,750,000	32,750,000
	<u>250,000,000</u>	<u>250,000,000</u>

(a) Reconciliation of number of shares

Equity Shares	As at March 31, 2013		As at March 31, 2012	
	No of shares	Amount	No of shares	Amount
Balance at the beginning of the year	217,250,000	217,250,000	217,250,000	217,250,000
Issued during the year	-	-	-	-
Balance as at the end of the year	<u>217,250,000</u>	<u>217,250,000</u>	<u>217,250,000</u>	<u>217,250,000</u>
Participatory Convertible Preference Shares				
Balance at the beginning of the year	327,500	32,750,000	327,500	32,750,000
Issued during the year	-	-	-	-
Balance as at the end of the year	<u>327,500</u>	<u>32,750,000</u>	<u>327,500</u>	<u>32,750,000</u>

(b) Rights, Preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having par value of Re 1 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Participatory Convertible Preference Shares

The Company has in the year 2004 allotted 327,500 Participatory Convertible Preference Shares (PCPS) of Rs 100 each to GCI Global Ventures (the immediate holding company) in accordance with the Share Purchase and Subscription Agreement (Agreement) dated December 6, 2004 between GCI Global Ventures and erstwhile shareholders of the Company. As per the terms of the agreement, the PCPS are compulsorily convertible into equity shares any time at the option of the holder of these Preference shares or at the end of six months from the date of dissolution and conclusion of the escrow agreement dated March 31, 2005, whichever is earlier. The basis of arriving at the number of equity shares that would be allotted on such



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

conversion has been determined in the Agreement. The escrow agreement has been concluded on December 9, 2011 and the shares were required to be allotted by June 9, 2012. However, GCI Global Ventures has mutually agreed with the company to extend the time limit for conversion of the PCPS for a further period of 5 years

	As at March 31, 2013	As at March 31, 2012
(c) Shares held by GCI Global Ventures, holding company		
Equity Shares		
205,173,128 (2012: 205,173,128) of equity shares of Re 1 each	205,173,128	205,173,128
Participatory Convertible Preference shares		
327,500 (2012: 327,500) of Participatory Convertible Preference shares of Rs 100 each	327,500	327,500
(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
	As at March 31, 2013	As at March 31, 2012
Equity Shares		
GCI Global Ventures	205,173,128 94.44%	205,173,128 94.44%
Participatory Convertible Preference shares		
GCI Global Ventures	327,500 100%	327,500 100%

(e) The Company has issued share warrants to the promoter and non promoter directors, overseas investors, employees and consultants in accordance with resolutions passed by the shareholders. As at March 31, 2013, 5,725,123 (2012: 5,725,123) number of share warrants are outstanding for conversion into equity shares of Re 1 each, in future periods, at the option of the holders at a pre determined price.

(f) Employee stock options

In the past, 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 existing ESOP is "GCI Solutions Private Limited Employee Stock Offer Plan, 2006" (ESOP Plan).

During the year, the company has not granted any stock options to its employees under the existing ESOP plan. As per the ESOP Plan the plan shall terminate on September 26, 2016.

The details of such options as at the year end are as under:

	As at March 31, 2013	As at March 31, 2012
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)	-	-
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



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

4 RESERVES AND SURPLUS

	As at March 31, 2013	As at March 31, 2012
Capital Reserves		
Balance at the beginning of the year	-	-
Additions \ utilisations (Refer Note 38)	94,467	-
Balance as at the end of the year	94,467	-
Securities Premium Account		
Balance at the beginning of the year	152,481,955	152,481,955
Additions \ utilisations	-	-
Balance as at the end of the year	152,481,955	152,481,955
Surplus in the statement of Profit and loss		
Balance at the beginning of the year	264,016,015	17,873,702
Add Net profit after tax transferred from Statement of Profit and Loss	236,655,938	246,142,313
Balance as at the end of the year	500,671,953	264,016,015
	653,248,375	416,497,970

5 LONG TERM BORROWINGS

	As at March 31, 2013	As at March 31, 2012
Secured		
Long term maturities of finance lease obligation	2,339,788	5,330,117
	2,339,788	5,330,117

Finance lease obligations are secured by hypothecation of vehicles underlying the lease and are repayable in equated monthly installments beginning from the month subsequent to availing the lease

6. LONG TERM PROVISIONS

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Gratuity (Refer note 32)	54,727,856	36,467,609
Compensated Absences	31,575,066	25,024,701
	86,302,922	61,492,310

7 OTHER LONG TERM LIABILITIES

	As at March 31, 2013	As at March 31, 2012
Deferred lease payments	3,038,716	1,753,301
	3,038,716	1,753,301



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

8 TRADE PAYABLES

	As at March 31, 2013	As at March 31, 2012
Due to Micro, Small and Medium Enterprises (Refer note 31)	1,685,467	256,461
Others	25,704,301	26,271,601
	<u>27,389,768</u>	<u>26,528,062</u>

9. OTHER CURRENT LIABILITIES

	As at March 31, 2013	As at March 31, 2012
Current maturities of finance lease obligation (Refer note 5)	1,600,875	2,201,904
Employee Benefits payable	28,934,861	28,149,347
Statutory dues including provident fund and tax deducted at Source	30,035,330	21,570,584
Advance from customers	7,047,763	-
Other liabilities	76,033,869	51,385,637
	<u>143,652,698</u>	<u>103,307,472</u>

10 SHORT TERM PROVISIONS

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Gratuity (Refer note 32)	4,293,266	2,735,337
Compensated Absences	3,113,045	2,279,222
Provision for income tax	-	6,878,669
	<u>7,406,311</u>	<u>11,893,228</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

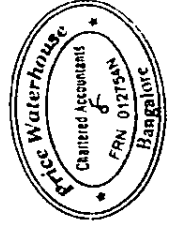
11 TANGIBLE / INTANGIBLE ASSETS

Assets	Gross Block				Accumulated Depreciation / Amortisation				Amount in Rupees			
	As at April 1, 2012	Merger (Refer note 38)	Additions during the year	Deletions during the year	As at March 31, 2013	As at April 1, 2012	Merger (Refer note 38)	Additions during the year	Deletions during the year	As at March 31, 2013	As at March 31, 2012	
Tangible Assets												
Leaschold Improvements	23,532,794	21,831,810	31,341,505		76,706,109	18,016,296	16,171,537	13,825,105		48,012,938	28,693,171	5,516,498
Electncal Equipment	11,059,178		2,303,803	9,546,910	3,816,071	11,037,818		1,599,295	9,544,836	3,092,276	723,795	21,360
Computer Systems	134,725,698	30,542,294	25,318,924	10,251,050	180,335,866	118,702,186	30,180,168	18,830,411	10,251,050	157,461,715	22,874,151	16,023,512
Office Equipment	20,723,791	9,074,605	15,486,811	3,988,105	41,297,102	19,888,149	8,836,852	8,345,171	3,986,170	33,084,002	8,213,100	835,642
Furniture and Fixtures	9,310,852	5,655,148	18,394,536	251,875	33,108,660	6,855,680	4,659,785	13,122,644	251,875	24,386,234	8,722,426	2,455,172
Vehicles	447,038	2,730,759	5,302,436	929,741	7,550,492	200,126	1,733,561	751,088	591,557	2,093,217	5,457,275	246,912
Assets acquire on finance lease												
Vehicles	9,722,559		3,012,232		6,710,327	2,463,428		2,297,309	1,506,591	3,254,146	3,456,181	7,259,131
Total (A)	209,521,910	69,834,616	98,148,015	27,979,913	349,524,627	177,163,683	61,581,903	58,771,023	26,132,079	271,384,528	78,140,099	32,358,227
Intangible Assets												
Goodwill	50,000,000	44,557,346			94,557,346	50,000,000	44,557,346			94,557,346		
Computer Software	92,354,802	8,523,047	8,452,088		109,329,937	83,589,628	8,028,307	9,943,712		101,561,647	7,768,290	8,765,174
Total (B)	142,354,802	53,080,393	8,452,088		203,887,283	133,589,628	52,585,653	9,943,712		196,118,993	7,768,290	8,765,174
Total (A) + (B)	351,876,712	122,915,009	106,600,103	27,979,913	553,411,910	310,753,311	114,167,556	68,714,735	26,132,079	467,503,521	85,908,389	41,123,401
2012	321,765,445		35,266,806	5,155,539	351,876,712	287,398,287		26,994,842	3,639,818	310,753,311		

*The unexpired period of amortization for Computer software

Period	2013	2012
Less than 1 year	3,293,802	
1 year - 2 year	4,474,488	8,765,174

Note: The above assets do not include certain assets received on loan basis or free of cost from end user



COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

12 NON-CURRENT INVESTMENTS

	As at March 31, 2013	As at March 31, 2012
Trade Investments (valued at cost)		
Investment in equity instruments (Unquoted)		
Trade Investments		
663 (2012 663) Equity shares of US\$ 0.01 each fully paid up held in CPA2Biz Inc, USA	213,012	213,012
Less Provision for diminution in value of investments	(213,012)	(213,012)
Investment in subsidiary (Refer note 38)		
NIL (2012 9,999) Equity shares of Rs 10 each fully paid up held in Collabera Enterprise Software Solutions Private Limited	-	165,067,338
Less Provision for diminution in value of investments	-	(151,115,272)
	-	<u>13,952,066</u>

13. DEFERRED TAX ASSET (NET)

	As at March 31, 2013	As at March 31, 2012
Deferred tax assets		
Depreciation	24,750,736	10,847,747
Provision for employee benefits	40,621,446	29,714,193
Provision for doubtful debts /deposits	11,191,299	4,756,733
Lease Equalisation	1,474,126	899,441
	<u>78,037,607</u>	<u>46,218,114</u>

Deferred tax assets and deferred tax liabilities have been set off as they relate to the same governing taxation laws

The tax impact for the above purpose has been arrived by applying a tax rate of 33.99% (2012 32.45%) being the prevailing tax rate for Indian Companies under the Income Tax Act, 1961

14. LONG TERM LOANS AND ADVANCES

	As at March 31, 2013	As at March 31, 2012
(Unsecured considered good)		
Deposits	76,239,411	73,098,940
Loans to Related Party - Subsidiary Company (Refer note 38)	-	47,600,000
Interest accrued on loan to Related Party - Subsidiary Company (Refer note 38)	-	10,513,172
Capital Advances	323,502	31,679,644
(Unsecured considered doubtful)		
Deposits	293,468	8,733,474
Less Provision for doubtful deposits	(293,468)	(8,733,474)
	<u>76,562,913</u>	<u>162,891,756</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

15. OTHER NON CURRENT ASSETS

(Unsecured considered good)

	As at March 31, 2013	As at March 31, 2012
Balances with Government Authorities	5,498,352	5,498,352
Advance income tax (net of provisions)	67,402,977	9,017,716
Long term deposit with banks with maturity period more than 12 months	250,000	
	<u>73,151,329</u>	<u>14,516,068</u>

16 TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Debts outstanding for a period exceeding six months from the date they are due for payment

	As at March 31, 2013	As at March 31, 2012
- Considered good	-	1,273,195
- Considered doubtful	32,631,802	5,927,439
Others		
- Considered good	496,189,453	418,469,177
- Considered doubtful	-	-
Less Provision for doubtful debts	(32,631,802)	(5,927,439)
	<u>496,189,453</u>	<u>419,742,372</u>

17. CASH AND BANK BALANCES

Cash and Cash Equivalents

	As at March 31, 2013	As at March 31, 2012
Cash on hand	-	25,848
Bank balances		
In current accounts	210,203,065	73,253,697
In demand deposits (less than 3 months maturity)	6,719,780	-
	<u>216,922,845</u>	<u>73,279,545</u>

18 SHORT TERM LOANS AND ADVANCES

(Unsecured considered good)

	As at March 31, 2013	As at March 31, 2012
Loans to Employees	3,070,541	2,909,011
Prepaid Expenses	16,405,858	13,898,287
Other loans and advances	13,147,921	17,732,728
	<u>32,624,320</u>	<u>34,540,026</u>

19. OTHER CURRENT ASSETS

Unbilled revenue

	As at March 31, 2013	As at March 31, 2012
Unbilled revenue	113,981,722	59,378,041
	<u>113,981,722</u>	<u>59,378,041</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

20 REVENUE FROM OPERATIONS

	Year ended March 31, 2013	Year ended March 31, 2012
Software services - Exports	2,014,225,968	1,833,331,687
Software services - Domestic	689,298,121	379,421,339
	<u>2,703,524,089</u>	<u>2,212,753,026</u>

21 OTHER INCOME

	Year ended March 31, 2013	Year ended March 31, 2012
Interest income	1,528,994	4,024,597
Foreign exchange gain (net)	24,611,999	40,525,482
Provision no longer required written back	9,768,004	
Other non-operating income	1,019,807	20,783
Profit on sale of fixed assets	483,703	-
	<u>37,412,507</u>	<u>44,570,862</u>

22 EMPLOYEE BENEFIT EXPENSES

	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, bonus etc	1,725,900,539	1,384,439,709
Contribution to provident and other funds	74,608,655	62,702,270
Staff welfare expenses	75,157,583	76,168,542
	<u>1,875,666,777</u>	<u>1,523,310,521</u>

23 FINANCE COST

	Year ended March 31, 2013	Year ended March 31, 2012
Interest expense	434,786	2,333,808
	<u>434,786</u>	<u>2,333,808</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

24 OTHER EXPENSES

	Year ended March 31, 2013	Year ended March 31, 2012
Rent	96,103,797	68,602,767
Rates and taxes	22,252,726	13,602,705
Power and fuel	28,910,972	23,536,402
Insurance	34,645,486	28,076,108
Repairs and maintenance - others	17,299,915	9,960,151
Legal and professional	37,633,319	30,511,872
Professional - others	103,235,573	27,428,148
Auditors' remuneration [Refer note 30]	1,916,090	1,407,652
Communication	15,061,055	9,926,071
Travelling and conveyance	83,672,515	90,340,286
Advertisement and Promotion	2,071,766	1,690,189
Provision for diminution in value of investments	-	9,513,037
Provision for doubtful debts	7,076,287	-
Provision for doubtful deposits	-	8,260,519
Loss on sale of fixed assets	265,258	1,639,997
Bad debts written off	2,491,969	-
Other expenses	26,647,125	19,246,370
	<u>479,283,853</u>	<u>343,742,274</u>

25 Capital and other commitments

	As at March 31, 2013	As at March 31, 2012
Estimated amount of contracts to be executed on capital account (net of advances) and not provided for For lease commitments refer note 35(ii)	599,180	19,718,102

26 Contingent Liabilities

	As at March 31, 2013	As at March 31, 2012
(i) Bank guarantees	1,075,000	1,450,000
(ii) Customs and Excise duty (Note)	2,736,528	2,736,528

Note The Customs department has demanded duty on certain imported/ indigenously procured duty free goods, which the Company contested and filed an appeal with the Central Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore. CESTAT had passed an order in favour of the Company on February 10, 2009, by setting aside the order of the Customs Department. The Customs Department had subsequently preferred an appeal before the High Court of Karnataka. The High Court of Karnataka vide its order dated April 20, 2011 had rejected the appeal of the Customs Department. However, the entire amount has been paid under protest.



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

(iii) Disputed Income Tax matters	As at March 31, 2013	As at March 31, 2012
a) For the assessment year 2009-2010, the Company has received notice, where in an income of Rs 58,269,872 has been added to the loss as per return of income and there is no additional demand on account of such addition. The company has filed an appeal against the order with CIT (Appeals)		
b) With respect to CESS, merged with the company from April 1, 2012 (Refer note 38)		
(i) For the assessment year 2009-2010 CESS has received notice of demand for additional tax of Rs 2,047,661 (2012 Rs 2,047,661) against which the company has paid Rs 2,047,661 (2012 Rs,2,047,661)under protest. Appeal filed by the company is pending with the CIT (Appeals)	2,047,661	2,047,661
(ii) For the assessment year 2006-07 CESS has received notice of demand for additional tax of Rs 1,038,045 (2012 1,038,045) against which the company has paid Rs 1,038,045 (2012 Rs 1,038,045)under protest. Appeal filed by the company is pending with the CIT (Appeals)	1,038,045	1,038,045
27 CIF Value of Imports.	Year ended March 31, 2013	Year ended March 31, 2012
Capital Goods	21,602,188	13,258,542
28 Expenditure in Foreign Currency	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, Bonus, etc	651,998,246	475,106,789
Legal and Professional	12,037,208	10,398,687
Travelling and Conveyance	43,509,952	80,319,195
Others	57,686,202	37,541,702
	765,231,609	603,366,373
29 Earnings in Foreign Currency*	Year ended March 31, 2013	Year ended March 31, 2012
Income from Services (including unbilled revenue)	2,014,225,968	1,833,331,687
30 Auditors' Remuneration *	Year ended March 31, 2013	Year ended March 31, 2012
Statutory Audit	1,700,000	1,200,000
Tax Audit	200,000	200,000
Other reporting engagement	-	-
Out of pocket expenses	16,090	7,652
	1,916,090	1,407,652

* Excluding service tax



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

31	The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') The disclosures pursuant to the said MSMED Act are as follows	Year ended March 31, 2013	Year ended March 31, 2012
a)	(i) The principal amount remaining unpaid as at March 31, 2013 (ii) Interest due thereon remaining unpaid on March 31, 2013	1,685,467	239,585
b)	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 (i) Delayed payments of principal amount paid beyond the appointed date during the entire accounting year (ii) Interest actually paid under Section 16 of the Act, during the entire accounting year	-	808,352
c)	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	-	16,876
d)	The amount of interest accrued and remaining unpaid on March 31, 2013 (i) Total interest accrued during the year (ii) Total interest remaining unpaid, out of the above, as at March 31, 2013	-	16,876
e)	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	16,876	16,876

Note The above information has been determined based on vendors identified by the Company and confirmed by the vendors.



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

32 Employee Benefits

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

(a) Defined Contribution Plans

The Company has recognised Rs 56,098,377 (2012 Rs 48,760,741) as expense in the statement of Profit and Loss in respect of defined contribution plans (viz , Provident Fund and Employees Pension Scheme), which is included under 'Contribution to Provident and Other Funds (Note 22)

(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. The employee's gratuity fund is managed by Life Insurance Corporation.

	March 31, 2013	March 31, 2012
A Changes in the defined benefit obligation during the period		
Obligation at the beginning of the year	39,741,231	27,439,728
Opening balance as per merger (Refer note 38)	6,365,333	
Current service cost	13,959,142	12,255,151
Interest cost	3,643,832	2,282,519
Actuarial (gain)/loss on obligation	(533,227)	(645,735)
(Less) Benefit paid during the year	(3,877,809)	(1,590,432)
Obligation at the end of the year	<u>59,298,502</u>	<u>39,741,231</u>
B. Reconciliation of opening and closing balances of the fair value of plan assets		
Plan assets at the beginning of the year	538,285	679,123
Add Contributions by the Company	3,575,934	1,417,306
(Less) Risk premium and Service Tax	-	-
Add Expected return on plan assets	30,988	20,738
Add Actuarial gains/ (losses)	9,982	11,550
(Less) Benefits paid	(3,877,809)	(1,590,432)
Plan assets at the end of the year	<u>277,380</u>	<u>538,285</u>
C. Net asset/ (liability) recognised in the Balance Sheet		
Present value of obligation at the end of the year	(59,298,502)	(39,741,231)
Fair value of plan assets at the end of the year	277,380	538,285
Amount recognised in the Balance Sheet	<u>(59,021,122)</u>	<u>(39,202,946)</u>
D. Expenses recognised in the statement of Profit and Loss		
Current service cost	13,959,142	11,837,849
Interest cost	3,643,832	2,282,519
Expected return on plan assets	(30,988)	(20,738)
Actuarial (gains)/ losses due to change in assumptions	(543,209)	(657,285)
Total expenses recognised in the statement of Profit and Loss	<u>17,028,777</u>	<u>13,442,345</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

March 31, 2013 March 31, 2012

E.	Investment details of plan assets				
	Fund balance with insurance companies			277,380	538,285
F.	Actual return on plan assets			9.00%	8.50%
G	Assumptions				
	Discount rate (per annum)			8.25%	8.50%
	Expected rate of return on plan assets			8.00%	8.00%
	Retirement age			60 years	60 years
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				
		March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
				March 31, 2009	
	Present value of defined benefit obligation	(59,298,502)	(39,741,231)	27,439,728	16,130,521
	Fair value of plan assets	277,380	538,285	679,123	1,736,932
	Surplus/ (deficit)	(59,021,122)	(39,202,946)	(26,760,605)	(14,393,589)
	Experience adjustments to plan liabilities	(533,227)	(645,735)	614,657	(242,015)
	Experience adjustments to plan assets	9,982	11,550	(20,140)	2,943

Notes:

- (a) 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
- (b) 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
- (c) The salary escalation rate is the estimate of future salary increase considered taking into account inflation, seniority, promotion and other relevant factors
- (d) As per management estimate, contribution of Rs 2,000,000 is expected to be paid to the plan during the year ending March 31, 2014



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

33 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 (i.e., Rest of World) 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)	1,801,507,380	131,925,222	689,298,121	80,793,366	2,703,524,089
	(1,685,641,893)	(140,311,676)	(379,421,309)	(7,378,148)	(2,212,753,026)

Note Figures in brackets relate to prior year

34 Related Party Disclosures

A Names of related parties and description of relationship

Ref	Description of relationship	Names of related parties
a	Parties where control exists	
(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) (Refer note 38)
b	Parties under common control	
(i)	Fellow Subsidiaries	Collabera Technologies Private Limited, India (CTPL)
c	Key management personnel:	
(i)	Wholtime Director	Mohan Sekhar (resigned wef October 4, 2012)
(ii)	Additional Director	Krishnamurthy Ramamurthy (wef October 4, 2012)
(iii)	Director	Sham Patel*
(iv)	Director	Dharmender Patadia*

- No transactions during the year



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COLLABERA SOLUTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

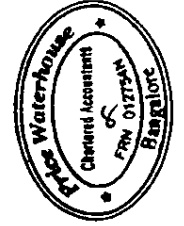
Related Party Disclosures (contd)

B Summary of transactions with related parties is as follows

Nature of transaction	Holding Companies [Aa(i)] and [Aa(ii)]		Subsidiaries [Aa(iii)]		Key management personnel [Ac(i)]	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Income from Services - CIU	1,562,048,774	1,382,087,898	-	-	-	-
Interest on Loan - CESS	-	-	-	3,208,784	-	-
Expense reimbursements (credit) - CIU	7,292,563	91,374	-	-	-	-
Employees cost - Mohan Sekhar	-	-	-	-	4,340,673	15,883,960
Employees cost - Krishnamurthy Ramamurthy	-	-	-	-	6,248,675	-
Loan repaid - CESS	-	-	-	5,910,000	-	-
Balance as at the year-end:						
Receivable						
CIU	298,249,793	247,938,857	-	-	-	-
CESS	-	-	-	10,513,172	-	-
Unsecured loan - CESS	-	-	-	47,600,000	-	-

Notes:

(i) The information under (A) and (B) 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

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

35 (i) Operating Leases

	Year ended March 31, 2013	Year ended March 31, 2012
Rent [including minimum lease payments Rs 69,104,986 (2012 Rs 49,240,410)]	96,103,797	68,602,767
<p>Operating leases for office premises and other facilities are generally for a period of 5 to 15 years 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 12 or 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 36 months to 60 months.</p> <p>Future minimum lease rentals payable under non-cancellable leases</p>		
- not later than one year	61,311,821	69,104,986
- later than one year and not later than five years	35,289,861	96,601,682
- later than five years	-	-
	<u>165,706,668</u>	<u>165,706,668</u>

(ii) Finance Lease

The Company has acquired motor vehicles on four year lease term, which is classified as finance lease as envisaged under AS 19 - Leases and disclosed as follows

Minimum lease payments		
Not later than one year	2,020,140	3,056,355
Later than one year and not later than five years	2,633,405	6,208,670
	<u>4,653,545</u>	<u>9,265,025</u>
(Less) Interest not due		
Not later than one year	(419,265)	(854,451)
Later than one year and not later than five years	(293,617)	(878,552)
	<u>(712,882)</u>	<u>(1,733,003)</u>
Present value of minimum lease payments		
Of the above		
Not later than one year	1,600,875	2,201,904
Later than one year and not later than five years	2,339,788	5,330,118
	<u>3,940,663</u>	<u>7,532,022</u>



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

36 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, 2012, 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, 2013, the Company will carry out the study to comply with the said regulations.

(ii) The provision for current tax charge is net of double taxation relief available.

37 Earnings per Share:

	March 31, 2013	March 31, 2012
Nominal value of equity share (a)	1	1
Weighted average number of equity shares outstanding - Basic	217,250,000	217,250,000
Add: Weighted average number of potential convertible shares relating to		
- Employee Stock Options (Refer note 3)	1,539,358	1,539,358
- Share Warrants (Refer note 3)	3,111,480	3,111,480
- Participatory Convertible Preference shares (Refer note 3)	32,750,000	32,750,000
Weighted average number of equity shares outstanding - Diluted (b)	254,650,838	254,650,838
Profit after Taxation (c)	236,655,938	246,142,313
Profit per share - Basic (c/a)	1.09	1.13
Profit per share - Diluted (c/b)	0.93	0.97



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

38. (i) The Board of Directors of the Company vide Board Resolution dated December 20, 2012, consented to a scheme of amalgamation of its subsidiary, Collabera Enterprise Software Solutions Private Limited (CESS) with the Company Accordingly, during the year CESS ceased to be a subsidiary upon approval of the Scheme of Amalgamation of CESS with Collabera Solutions Private Limited (CSPL) by The Hon'ble High Court of Karnataka vide its order dated July 2, 2013 and the scheme of Merger is operative from the appointed date of April 1, 2012

(ii) Disclosures as envisaged under AS 14 "Accounting for Amalgamations"

(a) Particulars of the companies

	<u>Transferor company</u>	<u>Transferee company</u>
Name of the Company	Collabera Enterprise Software Solutions Private Limited (CESS)	Collabera Solutions Private Limited (CSPL)
Nature of Business	Information Technology services of software development, maintenance, and consulting solutions	Information Technology services of software development, maintenance, software testing and consulting solutions
Effective Date of Amalgamation	April 1, 2012 (the "appointed date")	
Method of Accounting	Pooling of interest Method (as provided in the approved scheme)	

(b) Particulars of the scheme sanctioned

In pursuance of the scheme of amalgamation ('the Scheme') and Order under Section 391 to 394 of the Companies Act, dated July 2, 2013, duly approved and sanctioned by The Hon'ble High Court of Karnataka, the assets and liabilities of the transferor company have been transferred to and vested in the transferee company with effect from April 1, 2012 (i.e., the appointed date) The Scheme specifies the following

- i) The transferee company shall record all assets and liabilities recorded in the books of account of the transferor company, which are transferred to and vested in the transferee company pursuant to the Scheme and their book values as on the appointed date
- ii) The excess or deficit, if any, of the value of the assets over the value of the liabilities of the transferor company shall be credited by transferee company to capital reserve account/ debited to the profit and loss account respectively
- iii) In case of any differences in the accounting policies between the transferee company and transferor company, the accounting policies followed by the transferee company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies
- iv) As the entire equity share capital of CESS is held by CSPL and its nominees, i.e. CESS is a wholly owned subsidiary of CSPL, no shares of CSPL shall be allotted in respect of its holding in CESS
- v) Upon the scheme becoming finally effective, the shares of CESS the transferor company, held by CSPL (the transferee company) shall be cancelled in consideration of the transfer and vesting of the undertaking of the transferor company in the transferee company in terms of the Scheme



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COLLABERA SOLUTIONS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

- vi) Pursuant to the Scheme and Order dated July 2, 2013, approved by The Hon'ble High Court of Karnataka, the Company has recorded the following assets and liabilities of the transferor Company as on the appointed date (i.e. April 1, 2012) at book value

	<u>2012</u>	
Assets		
Non-current Assets.		
Fixed Assets		
Tangible assets	8,252,713	
Intangible assets	<u>494,740</u>	8,747,453
Long-term loans and advances		31,362,756
Other non-current assets		6,121,440
Current Assets.		
Trade receivables	43,808,483	
Cash and bank balances	16,654,373	
Short-term loans and advances	7,063,378	
Other Current Assets	195,797	67,722,031
	(A)	<u>113,953,680</u>
(Less). Liabilities		
Non-current liabilities		
Long Term borrowings	47,600,000	
Long term provisions	<u>7,822,627</u>	55,422,627
Current Liabilities		
Trade Payables	1,475,753	
Other current liabilities	41,562,753	
Short term provisions	1,446,014	44,484,520
	(B)	<u>99,907,147</u>
Net Assets taken over (A) - (B)		<u>14,046,533</u>
Less Cancellation of net value of investment in the books of the transferee company		<u>13,952,066</u>
(Capital Reserve) arising on amalgamation	(C)	<u>(94,467)</u>

39 Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at March 31, 2013		As at March 31, 2012	
	US \$	*Other currencies	US \$	*Other currencies
Trade Receivables	6,566,480	68,231	6,767,418	125,111
Trade Payables	16,684	3,210	13,121	12,895

*Others include currencies such as Pound Sterling, Singapore Dollar etc



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
COLLABERA SOLUTIONS PRIVATE LIMITED

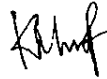
NOTES TO FINANCIAL STATEMENTS

Amount in Rupees

- 40 In view of the amalgamation explained in Note 38 above, the figures of the current year are not comparable with those of the prior financial year
- 41 Previous year's figures have been reclassified / regrouped, wherever necessary

For Price Waterhouse
Firm Registration No 012754N
Chartered Accountants


Sunit Kumar Basu
Partner
Membership Number 055000
Place Hyderabad
Date September 6, 2013



Krishnamurthy Ramamurthy
Director
Place Bangalore
Date September 6, 2013



Sham Patel
Director
Place Morristown, NJ
Date September 6, 2013

