RED HERRING PROSPECTUS
Dated September 07, 2009
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

THINKSOFT GLOBAL SERVICES LIMITED

(The Company was incorporated as Relliant Global Services (India) Private Limited on June 8, 1998 at Bangalore, Karnataka under the Companies Act, 1956 with company registration no. 08/23821. On December 17, 1999, the Company's name was changed to Thinksoft Global Services Private Limited. It became a Public Company pursuant to a special resolution of the shareholders of the Company at an Extra-Ordinary General Meeting held on July 22, 2008 and the word "Private" was deleted from its name. The certificate of incorporation reflecting the new name was issued on August 19, 2008 by the Registrar of Companies, Tamilnadu, Chennai, Andaman & Nicobar Islands. The Registered Office of the Company was shifted from S-912, Manipal Centre, Dickenson Road, Bangalore – 560 042 to the present address vide Fresh Certificate of Incorporation consequent on change of registered office address issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands dated February 26, 2008).

Registered Office: Type II, Unit-5, Dr. Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai – 600 041, India.
Tel: 91 44 4392 3200, **Fax:** 91 44 4392 3258 **Website:** www.thinksoftglobal.com
E-mail:ipo@thinksoftglobal.com. **Contact Person**: Ms. Akila S, Company Secretary & Compliance Officer.

PUBLIC ISSUE OF 36,46,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING RS. [•] LAKHS (THE "ISSUE") BY THINKSOFT GLOBAL SERVICES LIMITED (THE "COMPANY" OR "THE ISSUER"). THE ISSUE CONSISTS OF A FRESH ISSUE OF 13,50,000 EQUITY SHARES BY THE COMPANY AND AN OFFER FOR SALE OF 22,96,000 EQUITY SHARES BY EURO INDO INVESTMENTS (EII) & MR VINOD GANJOOR (HEREINAFTER REFERRED TO AS THE "SELLING SHAREHOLDERS"). THE ISSUE WOULD CONSTITUTE 36.27% OF THE POST-ISSUE PAID-UP EQUITY CAPITAL OF THE COMPANY.

PRICE BAND: Rs. 120/- TO Rs. 130/- PER EQUITY SHARE OF FACE VALUE OF RS. 10/- EACH

THE FLOOR PRICE IS 12 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 13 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period/Issue period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) whose online IPO system will be available for bidding, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (of which 5% will be available for allocation for Mutual Funds), subject to valid bids being received at or above the Issue Price. Mutual Fund bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first Issue, there has been no formal market for the shares of the Company. The Face Value of the Shares is Rs. 10/- each and the Floor Price is 12 times of the face value and the Cap Price is 13 times of the Face Value. The Price Band (as determined by the Company and the Selling Shareholders, in consultation with the Book Running Lead Managers ("BRLMs") on the basis of assessment of market demand for the Equity Shares by way of book-building process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page [xiii] of this Red Herring Prospectus.

ISSUER'S AND SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY

The Company and the Selling Shareholders, having made all reasonable inquiries, accept responsibility for and confirm that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

This Issue has been graded by ICRA Limited as "ICRA IPO Grade 2", indicating below average fundamentals through its letter dated August 17, 2009. For details, please refer to the section titled "General Information" starting from page 12 and the section titled "Material Contracts and Documents for Inspection" starting from page 388 of this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and NSE. The Company has received in-principle approvals from Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) for the listing of the Equity Shares pursuant to their letters dated June 12, 2009 and June 11, 2009 respectively. For the purpose of this Issue, the Designated Stock Exchange is NSE.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
KARVY INVESTOR SERVICES LIMITED **Karvy Investor Services Limited** "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad (Andhra Pradesh) - 500 034 Tel.: 91 40 2331 2454, 2342 8774 Fax : 91 40 2337 4714 Email: cmg@karvy.com Website: www.karvy.com Contact Person: Mr. M. P. Naidu	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Cyber Villa, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, India Tel: 91 40 2342 0815 Fax: 91 40 2343 1551 E-mail: einward.ris@karvy.com Website:ww.kcpl.karvy.com Contact Person: Mr. M Muralikrishna

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: Tuesday September 22, 2009	BID/ISSUE CLOSES ON: Thursday September 24, 2009

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SECTION I - GENERAL

A. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates the following terms have the following meanings in this Red Herring Prospectus.

Term	Description
"The Company" or "Company" or "Thinksoft" or "we" or "our" or "us" or "the Issuer"	Thinksoft Global Services Limited, a company constituted under the Companies Act, 1956, having its Registered Office at Type II, Unit.5, Dr. Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai-600 041, India

Conventional/General Terms/Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
Depositories Act	The Depositories Act, 1996, and subsequent amendments thereto
Depository/Depositories	NSDL and CDSL, both being depositories, which are registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time.
Depository Participant or DP	A depository participant as defined under the Depositories Act.
DIN	Directors Identification Number
Directors	Directors of the Company from time to time unless otherwise specified.
DP Id	Depository Participants Identity
DTA	Domestic Traffic Area
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earnings Per Share i.e., profit after tax for a fiscal/period divided by the weighted average number of equity shares/potential equity shares during that fiscal/period
ESOP	Employees Stock Option Plan
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment

Term	Description
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto.
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations,2000 and amendments thereto
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Financial Year/ fiscal/ FY	Period of twelve months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
Government/ GoI	The Government of India
HUF	Hindu Undivided Family
IA	Internal Audit
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IIM	Indian Institute of Management.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, and subsequent amendments thereto, including instructions and clarifications issued by SEBI from time to time.
IT	Information Technology
I.T. Act	The Income Tax Act, 1961, and subsequent amendments thereto
ITES	Information Technology Enabled Services
IPO	Initial Public Offering
Indian GAAP	Generally Accepted Accounting Principles in India
Memorandum / MoA	Memorandum of Association of the Company, as amended from time to time
MF/MFs	Mutual Funds.
MoF	Ministry of Finance, Government of India.
MoU	Memorandum of Understanding.
N.A	Not Applicable
NAV	Net Asset Value.
NBFC	Non-Banking Finance Company.
Non Resident / NR	A Person resident outside India, as defined under FEMA.
NRI/Non-Resident Indian	A Person resident outside India, who is a citizen of India or a Person of Indian Origin, and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NRE Account	Non-resident External Account established in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited

Term	Description
OCB/ Overseas Corporate Body	OCB means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management [Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the I.T. Act
PAT	Profit After Tax
PGDM	Post Graduate Diploma in Management
PLR	Prime Lending Rate
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India.
Reserve Bank of India Act/ RBI Act	The Reserve Bank of India Act, 1934, and subsequent amendments thereto.
RoC	Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands
RONW	Return on Net-worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, and subsequent amendments thereto.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, and subsequent amendments thereto.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, and subsequent amendments thereto, including instructions and clarifications issued by SEBI from time to time.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, and subsequent amendments thereto.
SEZ	Special Economic Zone
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SMB Services	Small and Medium Business Services
SSI	Small Scale Industries
STPI	Software Technology Park of India
UK	United Kingdom
U.S/USA	United States of America
USD	United States Dollar
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Issue Related Terms

Term	Description
Allotment/Allot	Unless, the context otherwise requires, the allotment and transfer of Equity Shares of the Company, pursuant to the Issue and the transfer of Equity Shares pursuant to the Offer for Sale.
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued or transferred
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category. Who has Bid for Equity shares amounting to at least Rs.1000 lakhs.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	The portion of the Net Issue, being 5,46,900 Equity shares
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall be opened and completed.
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Investor	Means an Investor who intends to apply through ASBA process and (a) is a "Resident Retail Individual Investor"; (b) is bidding at cut-off, with single bid option as to the number of shares bid for; (c) is applying through blocking of funds in a bank account with the SCSB; (d) has agreed not to revise his/her bid; (e) is not bidding under any of the reserved categories.
ASBA Form	Bid cum Application form for Resident Retail Individual Investor intending to subscribe through ASBA
Banker(s) to the Issue	The Banker(s) with whom the Escrow Account(s) for the Issue shall be opened
Bid	An indication to make an offer made during the Bidding Period by a prospective investor to subscribe to the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto
Bid Price / Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid Closing Date /Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Tamil newspaper with wide circulation.
Bid Opening Date/Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Tamil newspaper with wide circulation.

Term	Description
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares of the Company pursuant to the terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form (including ASBA Bidder)
Bidding Period / Issue Period	The period between the Bid Opening Date/Issue Opening Date and the Bid Closing Date/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLMs / Book Running Lead Managers	Book Running Lead Managers to the Issue, being Karvy Investor Services Limited and Co-BRLM being Chartered Capital and Investment Limited.
CAN / Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Co-BRLM/CCIL	Chartered Capital and Investment Limited
Cut-off Price	Any price within the Price Band finalised by the Company and Selling Shareholders in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band by a Retail Individual Bidder. Only Retail Individual Bidders are entitled to bid at the Cut-off price for a Bid Amount not exceeding Rs.1,00,000/-. QIBs and HNIs are not entitled to Bid at Cut-off price. It is mandatory for ASBA Bidders to bid at cut-off price
Designated Date	The date on which funds are transferred from the Escrow Account(s) of the Escrow Collection Bankers to the Issue Account after the Prospectus is filed with the RoC, following which the Board shall allot Equity Shares and the Selling Shareholders shall give delivery instructions for transfer of Equity Shares constituting Offer for Sale to successful Bidders
Designated Stock Exchange	The National Stock Exchange of India Limited
ECS	Electronic Clearing Service
Equity Shares	Equity Shares of the Company of Rs. 10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with an Escrow Collection Bank and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount and from which refunds (if any) shall be made of the amount collected from the Bidders
Escrow Agreement	Agreement to be entered into among the Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLMs and the Refund Banker in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected to the Bidders.

Term	Description
Escrow Collection Bank (s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue, at which the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of 13,50,000 Equity Shares of the Company
Issue	Public Issue of 36,46,000 Equity Shares of Rs.10 each at a price of [●] each for cash, aggregating [●] lakhs. The Issue consists of a Fresh Issue of 13,50,000 Equity Shares and an Offer for Sale of 22,96,000 Equity Shares by the Selling Shareholders.
Issue Price/Offer Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or Prospectus. The Issue Price will be decided by the Company and the Selling Shareholders in consultation with the BRLMs, on the Pricing Date
Margin Amount	The amount paid by the Bidder or blocked in the bank account of ASBA Bidders, at the time of submission of his/her Bid, which may range between 10% to 100% of the Bid Amount
Memorandum of Understanding	The agreement entered into on September 25, 2008 amongst the Company, the Selling Shareholders and the BRLMs pursuant to which certain arrangements are agreed in relation to the Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion or 91,150 Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000/-
Non-Institutional Portion	The portion of the Issue being a minimum of 5,46,900 Equity Shares of Rs. 10/- each available for allocation to Non-Institutional Bidders
Offer for Sale	Transfer of 22,96,000 Equity Shares by the Selling Shareholders, pursuant to this Red Herring Prospectus
Pay-in-Date	The last date specified in the CAN sent to the Bidders
Pay-in-Period	This term means: (i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date, and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the closure of the Pay-in Date.
Price Band	The price band with a minimum price (Floor Price) of Rs. 120/- and the maximum price (Cap Price) of Rs. 130/- including any revisions thereof

Term	Description
Pricing Date	The date on which the Company in consultation with the BRLMs and Selling Shareholders finalises the Issue Price
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the designated date
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Foreign Institutional Investors and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual; Multilateral And Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with a minimum corpus of Rs. 2,500 lakhs and Pension Funds with a minimum corpus of Rs. 2,500 lakhs and the National Investment Fund.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being 18,23,000 Equity Shares of Rs. 10/- each at the Issue Price, available for allocation to QIBs on proportional allotment basis of which upto 5% i.e. 91,150 Equity Shares are reserved for Mutual Funds and the balance will be available for all QIBs including Mutual Funds.
Refund Banker	Shall mean the Escrow Collection Bank who has been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and /or physical mode where payment through electronic mode may not be feasible, in this case being HDFC Bank Limited
Refund Account	Account opened with the Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made
Registrar /Registrars to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Resident Retail Individual Investor	A retail individual bidder who is a person resident in India as defined under FEMA
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an amount less than or equal to Rs. 1,00,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue to the public and being a minimum of 12,76,100 Equity Shares of Rs. 10/- each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).

Term	Description
Red Herring Prospectus or RHP	Means the document issued in accordance with Section 60B of the Companies Act, 1956, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus which will be filed with the RoC at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC and pursuant to pricing and allocation.
Self Certified Syndicate Banker (SCSB)	A Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making an Application Supported by Blocked Amount and recognised as such by SEBI.
Selling Shareholders	Euro Indo Investments or EII and Mr Vinod Ganjoor.
Stock Exchanges	Bombay Stock Exchange Limited & National Stock Exchange of India Limited
Syndicate	BRLMs, and the Syndicate Members collectively
Syndicate Agreement	The agreement to be entered into among the Company, Selling Shareholders and the members of the Syndicate, in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The Agreement among the BRLMs, Selling Shareholders, the Syndicate Members and the Company to be entered into on or after the Pricing Date
Venture Capital Funds/VCF	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time

Company Related Terms

Term	Description
Articles / Articles of Association / AoA	Articles of Association of the Company, as amended from time to time
Auditors	The statutory auditors of the Company, namely M/s. PKF Sridhar & Santhanam, Chartered Accountants.
Board of Directors/Board	The Board of Directors of Thinksoft Global Services Limited.
CIN	Corporate Identity Number as allotted by the Registrar of Companies
Committee	Committee of the Board of Directors of the Company authorised to take decisions on matters relating to or incidental to this Issue.
Constitutional Documents	The constitutional documents of the Company being the certificate of incorporation, memorandum of association and articles of association of the Company.

EII	Euro Indo Investments
Equity Shares	Equity Shares of the Company of Rs. 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Shares of the Company unless otherwise specified in the context thereof.
Face Value	Value of paid up equity capital per Equity Share, in this case being Rs. 10/- each.
Offered Shares	Shares or share equivalents transferred by the Selling Shareholders to any person as part of the Offer for Sale.
Promoters	Mr. Asvini Kumar A V, Ms. Vanaja Arvind and Mr. Mohan Parvatikar.
Promoter Group	Asvini Kumar A V, Vanaja Arvind, Mohan Parvatikar, A.K.Latha, A.K.Krishna, Lalitha Devi, A. Anuradha Rao, A V Ambika, Aarti Arvind, Srinivasan Arvind, Rukmani Varadarajan, Anand Arvind, C. V. Rajan, C V Giridhar, Lata Parvatikar, Vijaya Parvatikar, Janaki Parvatikar, Meera Padi, Manju Jagade, M/s. Virtus Advisory Services Private Limited and M/s.Wholistic Breads (P) Ltd.
Promoter Group Entities	Virtus Advisory Services Private Limited and Wholistic Breads (P) Ltd
Registered Office	The Registered Office of the Company being Type II, Unit 5, Dr.Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai, India
Subsidiaries	Thinksoft Global Services Pte. Limited, Thinksoft (India) Services Private Limited, Thinksoft Global Services Inc. and Thinksoft Global Services (Europe) GmbH
TGLP	Thinksoft Global Services Pte Limited
TSPL	Thinksoft (India) Services Private Limited
TGS., Inc	Thinksoft Global Services, Inc
TGSE	Thinksoft Global Services (Europe) GmbH

Technical and Industry related terms

Term	Description
APAC	Asia Pacific
BFS	Banking and Financial Services
BFSI	Banking, Financial Services and Insurance
BPO	Business Process Outsourcing
BR	Business Requirement
CADM	Custom Application and Development
CEMA Region	Central Europe, the Middle East and Africa
CMG	Commercial Management Group
CRM	Customer-Relationship Management
EMEA	Europe, the Middle East and Africa

FS	Functional Specification
GDM	Global Delivery Model
HEOU	Hundred Percent Export Oriented Unit
HR	Human Resources
IDC	Offshore Development Centre
IS	Information System
ISP	Internet Service Provider
IT	Information Technology
IT-BPO	Information Technology–Business Process Outsourcing
ITES	Information Technology Enabled Services
LATAM	Latin America
MBpS	Megabits per second
MEPZ	Madras Export Processing Zone
NA	North America
NASSCOM	National Association of Software and Services Companies
NDOS	Networking and Desktop Outsourcing
NMS	Network Management System
OFFSITE	Service work done outside India at a place other than the clients' premises.
OI	Order Intimation
ONSITE	Service work conducted at the clients' premises.
OPD	Offshore Product Development
R & D	Research and Development
RMG	Resource Management Group
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SPOC	Single point of Contact/Control
VOIP	Voice over internet protocol
VPN	Virtual Private Network
WE	Western Europe

B. PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise the financial data in this Red Herring Prospectus is derived from the unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. The statistical and operational data in this Red Herring Prospectus is presented on an unconsolidated basis as well as on consolidated basis. The Company's fiscal year commences on 1 April and ends on 31 March of each year, so all references to a particular financial year are to the twelve-month period ended 31 March of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

Industry and Market Data

Unless stated otherwise, industry data and the market data used throughout this Red Herring Prospectus have been obtained from industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the readers familiarity with the understanding of the methodologies used in compiling such data. There are no standard valuation methodologies or accounting policies in the emerging information technology industry in India and methodologies and assumptions may vary widely among different industry sources.

Currency Information

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America. All references to "Sterling", "Pound Sterling", "GBP" or "£" are to Pound Sterling, the official currency of the United Kingdom. All references to "Sing$" or "S$" are to Singapore Dollar, the official currency of the Singapore. All references to "euro', "EUR" are to euros, the official currency of the European Community. All references to "AUD" are to Australian Dollar, the official currency of Australia. This Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines.

C. FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- The loss of any one of the major customers, a decrease in the volume of work from these customers or a decrease in the price at which the Company offers its services to them;
- Ability to acquire new clients
- Ability to adequately and quickly expand capacity and update the systems to meet increased demands;
- Cancellation, contract termination;
- Fluctuation in currency exchange rates;
- Increased competition;
- Inability to manage growth;
- Ability to control cost or retain key employees;
- General economic and business conditions in India and other countries;
- Ability to respond to technological changes;
- Changes in laws and regulations relating to the industry in which the Company operates;
- Revocation or expiry of tax holidays, exemptions and tax deferral schemes;
- Any adverse outcome in legal proceedings in which the Company is involved;
- Potential mergers, acquisitions or restructurings among clients;
- Potential mergers, acquisitions or restructurings of the Company;
- The state of the financial markets in India and abroad

For further discussion of factors that could cause actual results to differ, see the section titled "Risk Factors" beginning on page [xiii] of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The Company, Selling Shareholders, the members of the Syndicate and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company, Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges in respect of the Equity Shares allotted in this Issue.

SECTION II- RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks actually occur, the Company's business, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Red Herring Prospectus, including financial statements included in this Red Herring Prospectus beginning on page 156. Unless stated otherwise, the financial data in this section is as per the financial statements prepared in accordance with Indian GAAP.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found to be material when taken collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

INTERNAL RISK FACTORS

1. The Company's revenues are highly dependent on its clients located in Europe. Economic slowdowns and other factors that affect the economic health of Europe may affect the Company's business.

A significant proportion of the Company's revenues are derived from its clients located in Europe. In Fiscal 2007, 2008 and 2009, 65%, 58% and 54% of the revenues from software testing services, respectively were derived from clients located in Europe. This calculation of revenues by client geography is based on the location of the specific client entities for which billing is done, irrespective of the location where services may be rendered. Consequently, in the event of any economic slowdown in Europe or any reduction in the IT or product spending or outsourcing to India by firms based out of Europe, its clients may reduce or postpone their IT or product spending significantly or cut or delay product releases or versions, which may in turn lower the demand for its software services and negatively affect the Company's business, financial condition and results of operations.

2. The Company's ability to expand its business and procure new contracts or enter into beneficial business arrangements may be affected by non-compete clauses in the agreements with existing clients or business partners.

Some of the Company's existing service agreements and other agreements have non-compete clauses, which restricts the Company from providing services to competitors of its existing clients or entering new markets where a business partner may already have a presence. Such clauses may restrict the Company's ability to offer services to clients in a specific industry in which it has acquired expertise, adversely affecting its business and growth.

3. Delays or defaults in client payments could result in reduction of profits.

The Company regularly commits resources to slew of projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as they are incurred. The Company may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments on a project to which the Company has devoted significant resources or if a project in which it has invested significant resources is delayed, cancelled or does not proceed to completion, it could have an adverse effect on the Company's business, financial condition and results of operations.

4. System failures and calamities could adversely impact the business.

The Company conducts its business of offering testing services principally on an Off-shore and On-site model. Connectivity to the client test environments is through secure VPN links which have been provided by multiple ISPs governed by stringent SLAs with appropriate redundancies. The offices of the Company are also connected through internet and point to point links. Data used in testing and other testware are stored in client-specific file servers which are being backed up on daily basis across multiple locations of the Company. The Company has established a Disaster Recovery Centre at its Bangalore Office where data is being sent at defined intervals. This centre is equipped to handle data restoration in the event of a disaster and ensure business continuity. Major calamities like earthquakes, tsunamis and cyclones that effect areas in which the Company has a significant presence, may result in disruption of services to clients.

5. The Company has not entered into any definitive agreements to use the net proceeds of the Issue.

The net proceeds from this Issue are expected to be used as set forth under "Objects of the Issue" on page 39. Except as disclosed, the Company has not entered into any definitive agreements to utilise the net proceeds of the Issue. There can be no assurance that the Company will be able to enter into such definitive agreements on favourable terms. Accordingly, investors in this Issue will need to rely upon the judgment of the management, who will have considerable discretion, with respect to the use of proceeds. The utilisation of the proceeds of the issue will be monitored by our management and our Board of Directors and will not be subject to any monitoring by any independent agency. The temporary deployment of funds may not result in adequate returns for the Company.

6. The Company has contingent liabilities not provided for aggregating to Rs.203.18 lakhs, which may adversely affect its financial conditions

As on March 31, 2009, the Company has the following contingent liabilities for which no provisions was made:-

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.14.09 lakhs
- Service tax related matters Rs.36.09 lakhs plus interest and penalty
- Counter guarantees issued to the bank for the bank guarantees obtained Rs.153 lakhs.
- As disclosed in the restated un-consolidated financial statements. There can be no assurance that the Company will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

7. The Company is promoted by first generation entrepreneurs.

Mr. Asvini Kumar A V, Ms. Vanaja Arvind and Mr. Mohan Parvatikar, Promoters of the Company are first generation entrepreneurs and in spite of having a key executive team to support, the Company's business may suffer if they are not able to manage the operations of the Company and the challenges which it may face on account of the growth and competition in the IT Sector.

8. The Company's success depends largely upon its skilled software professionals and its ability to attract and retain these personnel. The Industry where the Company operates is a highly employee intensive industry having a high rate of attrition.

The Company's ability to execute projects and to obtain new clients depends largely on their ability to attract, train, motivate and retain highly skilled software professionals, particularly project managers and other mid-level professionals. The future performance of the Company will be dependent on the continued service of these persons or replacement of equally competent persons from the domestic or global markets. The Company does not maintain key-man life insurance for any of the senior members of its management team or other key personnel. Competition for senior management in the IT industry is intense, and the Company may or may not be able to retain such senior management personnel or attract and retain new senior management personnel in the future unless it offers Industry best compensation packages, which will have impact on its profitability. The loss of any member of senior management or other senior professionals may adversely affect its business, results of operations and financial condition.

9. The client contracts of the Company can typically be terminated without cause and with little or no notice or penalty, which could negatively impact its revenues and profitability.

The clients typically retain the Company through non-exclusive service agreements. Most of the client project contracts can be terminated with or without cause, with 28 to 180 days notice and without termination related penalties.

Additionally, the service agreements with clients are typically without any commitment to a specific volume of business or future work. The Company's business is dependent on the decisions and actions of its clients, and there are a number of factors relating to the Company's clients that are outside its control that might result in the termination of a project or the loss of a client. The clients may demand price reductions, change their outsourcing strategy by moving more work in-house or to the Company's competitors. Any of these factors could adversely affect its revenues and profitability.

10. The Company's business will suffer if it fails to keep pace with the rapid changes in technology and the industries on which it focus. The Company needs to anticipate and develop new services and enhance existing services in order to keep its clients satisfied.

The IT services market is characterised by rapid technological changes, evolving industry standards, changing client preferences and new product and service introductions. The future success of the Company will depend on its ability to anticipate these developments. In past the Company has been successful in predicting the technology changes in view of its continuing relationship and reengineering of team to meet the challenges with rapid pace. However, going forward it may not be successful in anticipating or responding to these advances on a timely basis or, if the Company does respond, the services or technologies it develops may not be successful in the marketplace.

11*. Increase in wages for IT professionals could reduce the Company's cash flow and profit margins.*

Historically, wage costs in the Indian IT services industry have been significantly lower than wage cost in developed countries. However, in recent years wage costs in the Indian IT Services industry have been increasing at a faster rate than those in certain developed countries. In the long term, wage increases may make the Company less competitive unless the Company is able to continue increasing the efficiency and productivity of its professionals. Increase in wages, may reduce its cash flow and profit margins.

12. Intellectual Property Rights

The Company has made an application for the registration of the trademark and logo of the Company. The said application is pending approval of the trademark authority. The grant of the registration is affected under the due processes and procedures as prescribed by the applicable laws. Consequently, there may be a substantial amount of delay in the receipt of the registration of the trademark. Non registration may adversely affect the Company's ability to protect its trademark against infringements which may materially and adversely affect its goodwill and business. If the Company fails to successfully protect or enforce its trade mark rights, it may be required to change its logo. Any such change could require the Company to incur additional costs and may impact its brand recognition among customers.

13. The Company's client proprietary rights may be misappropriated by the employees in violation of applicable confidentiality agreements. The Company may also be subject to third party claims of intellectual property infringement.

The client contracts may require the Company to comply with certain security obligations including maintenance of network security, back-up of data, ensuring the

Company's network is virus free and ensuring the credentials of those employees that work with the clients. The Company cannot assure that it will be able to comply with all such obligations and that it will not incur liability nor have a claim for substantial damages against it.

14. Any defects in the Company's services, could make it liable for customer claims, which in turn could adversely affect its results of operations.

Any failure or defect in the Company's services could result in a claim against it for damages. Although the Company attempts to limit its contractual liability for all damages in rendering its services, it cannot be assured of any limitations in its liability. The Company may suffer for adverse publicity for the failure or defect in its services, which may in turn, could adversely affect its results of operations.

15. The Company is yet to place orders for the Interiors (including Furniture and Fixtures), Equipment, Computer Hardware and Software for its MEPZ Project.

The Company is yet to place orders for purchase of Interiors (including Furniture and Fixtures), Equipment, Computer Hardware and Software for its MEPZ Project. Negotiations in respect of specifications with some vendors have commenced and orders will be placed in the due course, once the negotiations are complete. Any increase in prices of these equipments may adversely affect the Company's estimates of project cost resulting in increased funds requirement. For further details please refer to the heading "Objects of the Issue" beginning on page 39 of this Red Herring Prospectus.

16. The insurance coverage taken by the Company may not be adequate to protect against certain business risks.

Operating and managing a business involves many risks that may adversely affect the Company's operations, and the availability of insurance is therefore important to its operations.

The Company maintains general liability insurance coverage in relation to its employees, assets, stocks, properties etc. and to mitigate business risks. The Company believes that its insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover itself for any risks, it could be exposed to substantial costs and losses that would adversely affect results of operations. In addition, the Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that its insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against the Company that exceeds its available insurance coverage or that leads to adverse changes in its insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect the Company's results of operations.

17. The Company's agreements with its wholly-owned overseas subsidiaries are subject to transfer pricing regulations. These agreements may be subject to regulatory challenges, which may subject the Company to higher taxes adversely affecting its earnings.

The Company has entered into agreements with its wholly-owned overseas subsidiaries because the services it provides, are transferred between the Company and its overseas subsidiaries. In these agreements, the Company has determined transfer prices that it believes is the same as the prices that would be charged by unrelated parties dealing with each other at arm's length. However, if the taxing authorities of India or other jurisdictions were to successfully challenge these agreements or past transactions undertaken pursuant to the terms of these agreements, or require changes in transfer pricing policies, the Company could be required to re-determine transfer prices, which may result in a higher overall tax liability to it and as a result the Company's earnings would be adversely affected. In this regard, the Company is subject to risks not faced by other companies with international operations that do not create inter-company transfers. The Company believes that it operates in compliance with all applicable transfer pricing laws in all applicable jurisdictions. However, there can be no assurance that the Company will be found to be in compliance with transfer pricing laws, or that such laws will not be modified, which, as a result, may require changes to transfer pricing policies or operating procedures. Any modification of transfer pricing laws may result in a higher overall tax liability to the Company, adversely affecting its earnings and results of operations.

18. Any future issuance of Equity shares may dilute prospective investors' shareholding and sales of equity shares by Promoters or other major shareholders may adversely affect the trading price of the Equity shares.

Any future equity issuances by the Company may lead to the dilution of Investors' shareholdings in the Company. Any future equity issuances by the Company or sales of equity shares by the Promoters or other major shareholders may adversely affect the trading price of the equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the equity shares of the Company.

19. The Company may infringe on the intellectual property rights of others.

The Company cannot determine with certainty whether it is infringing upon any existing third-party intellectual property rights which may force the Company to alter its technologies, obtain licenses or significantly cease some portions of its operations. The Company may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of whether such claims that the Company is infringing patents or other intellectual property rights have any merit, those claims could:

- adversely affect the Company's relationships with current or future customers;
- result in costly litigation;
- divert management's attention and resources;
- subject the Company to significant liabilities;
- require the Company to enter into royalty or licensing agreements; and
- require the Company to cease certain activities.

20. The Company has entered into, and will continue to enter into, related party transactions.

The Company has entered into transactions with several related parties, including Promoters and Directors. For more information regarding related party transactions, see "Related Party Transactions" on page 199 of this Red Herring Prospectus.

21. The Company does not own registered office and other premises from which it operates.

The Company does not own the premises on which its registered office in Chennai and other offices in London, Brussels, Bangalore and Chennai are located. The Company operates from rented and leased premises. If any of the owners of these premises do not renew the agreements under which it occupies the premises or renew such agreements on terms and conditions that are unfavourable to the Company, it may suffer a disruption in its operations or have to pay increased rentals which could have a material adverse effect on its business, financial condition and results of operations. For more information, see "Business – Properties" starting on page 102 of this Red Herring Prospectus.

22. The lease agreements pertaining to certain immovable properties are not adequately stamped in accordance with the applicable stamp acts.

The lease documents pertaining to the guest house situated at Mylapore and MRC Nagar, Chennai, and Property situated at Manipal Centre, Dickenson Road, Bangalore have not been registered under the provisions of the Registration Act, 1908 and have not been stamped in accordance with the applicable stamp acts. Consequently, the said lease deeds may be inadmissible as evidence in a court of law, unless the defects are rectified.

The Company has presently not undertaken any steps to rectify the defects in the lease deeds as they are not business critical agreements.

23. The Company needs to attract and retain highly skilled personnel.

The Company expects the anticipated expansion of its business will place a significant strain on its limited managerial, operational and financial resources. The Company will be required to expand operational, sales and marketing staff significantly and to train and manage its work force in order to manage the expansion of its operations. The Company's future success depends on its ability to attract, train, retain and motivate highly skilled managerial, sales, marketing and technical talent. The Company may not be successful in attracting such talent placing significant burdens on existing talent. If the Company is not successful in attracting this talent, the results of its operations will be materially affected.

24. The global operations expose the Company to complex management, foreign currency, legal, tax and economic risks.

The Company services to customers around the world. This leads to several risk factors including the complication of managing such growth. As a result of the expanding international operations, the Company is subject to risks inherent in establishing and conducting business in international markets including but not limited to the following:

- Cost structures, and cultural and language factors associated with managing and coordinating global operations;
- Compliance with foreign laws, labour laws, immigration, tax etc; Restrictions on repatriation of profits;
- Potential difficulties with respect to protection of the Company's intellectual property;
- Exchange rate volatility.

25. The Company faces risks and uncertainties associated with its growth and expansion.

The Company's recent growth and its plans to undertake further initiatives create risks, including:

- The Company may be unable to maintain quality standards, manage client and customer expectations
- The Company may be unable to develop adequate internal administrative systems and controls, particularly financial, operational and communications systems.

While the Company believes that it has managed growth in recent years, there can be no assurance that this will continue or that it will be able to execute any current or future expansion strategies on time or within budget. Any failure to do so could compel the Company to delay, modify or forego aspects of the Company's growth strategy. If any or all of these risks were to come to fruition, it or they could have a material adverse effect on the Company's business, financial condition and results of operations.

26. The Company may require additional capital to implement its business plans, which may not be available on acceptable terms.

The Company may require additional capital in the future to implement its business plans, which may include further expansion and business development. If the Company fails to generate sufficient cash through services or from other sources of revenue, it may need to raise additional capital from equity or debt sources to fund any such expansion or development. The Company may not be able to obtain finance on terms acceptable or at all and therefore may be forced to curtail planned expansions and business development initiatives, which would have a material adverse effect on the Company's business, financial condition and results of operations. In addition, any capital raising activities could, in the case of debt, increase the Company's interest payment obligations. Additional equity issuances could result in significant dilution to the existing shareholders.

27. The Company derives a significant portion of its revenues from a limited number of clients. The loss of, or a significant reduction in the revenues it receives from, one or more of these clients, may adversely affect its business.

The Company derives a significant portion of its revenues from a limited number of large corporate clients. In Fiscal, 2007, 2008 and 2009, the Company's top ten clients accounted for 96.99%, 94.85% and 92.66%, respectively, of its revenues. In Fiscal 2009, the largest customer amounted to 26% of its revenues. Since there is significant competition for the services the Company provides and typically it is not an exclusive service provider to its major clients, the level of revenues from the major clients could vary from period to period. The major clients typically retain the Company under master services agreements that do not provide for specific amounts of guaranteed business. These agreements are typically terminable by the clients with short notice and without significant penalties. These clients may also decide to reduce spending on IT and products, cut or delay product releases or versions because of economic pressures and other factors, both internal and external, relating to their business. The loss of, or a significant reduction in the revenues that the Company receives from one or more of its major clients, may adversely affect its business and profitability.

***28. The Company is subject to risks arising from exchange rate movements*.**

The Company has adopted the Indian Rupee as its reporting currency but the Company currently transacts its business primarily in Indian Rupees and, in Singapore dollars, U.S. dollars, Euros, Pound Sterling and Australian dollars. In fiscal 2007, 2008 and 2009, the Company derived approximately 96%, 92% and 97% of the Company's net revenue from its overseas business, respectively. To the extent these currencies depreciate against the Indian Rupee, the revenue that the Company report in Indian Rupees will be negatively affected.

Conversely, an appreciation of these currencies against the Indian Rupee would increase the Company's revenue reported in the Indian Rupee and would also increase its expenses incurred in those currencies. In addition, conducting business in currencies other than the Indian Rupee subjects the Company to fluctuations in currency exchange rates that could have a negative impact on its reported operating results.

Fluctuations in the value of the Indian Rupee relative to other currencies impact the Company's revenue, cost of sales and services and operating margins and results in foreign currency translation gains or losses. The Company hedges fluctuation risk by forward cover to a limited extent, however does not hedge the full exposure. Given the volatile currency market, hedging strategies cannot fully eliminate the potential gain or loss that might accrue due to currency market fluctuations.

29. The Company's revenues, expenses and profits may vary significantly from Quarter to Quarter. This could cause the market value of the Company's Equity Shares to decline.

The Company's operating results may vary significantly from quarter to quarter. As a large part of any period's revenues is derived from existing customers, revenue growth can vary due to project start and stops and customer-specific situations. In addition, revenue from new customers also varies from quarter to quarter. Operating income variation is due to various factors such as changes in employee compensation, which are typically effected in the first quarter and reduces the Company's operating margin in such quarter; changes in the ratio of onsite and offshore services, changes in utilisation of resources, with lower utilisation leading to reduction in operating income; and changes in foreign exchange rates. Besides, if one set of assignments are completed and before the start of another one, there could be a period of lull, which too can impact the revenues and profits negatively.

Factors that affect the fluctuation of the Company's revenues, expenses and profits include:

- variations, expected or unexpected, in the duration, size, timing and scope of projects, particularly with the major clients;
- in pricing policies of the Company or those of its clients or competitors;
- the proportion of services that the Company performs in its development centers in India as opposed to outside India;
- unanticipated attrition and the time required to hire, train and productively utilise its new employees;
- loss of clients;
- ability to acquire new clients;
- annual increases in compensation of its employees;
- the size and timing of expansion of its facilities;
- unanticipated cancellations, non-renewal of the contracts by its clients, contract terminations or deferrals of projects; and
- changes in the employee utilisation rate due to various factors.

A significant part of the Company's expenses, particularly those related to personnel and facilities, are fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of its projects or employee utilisation rates may cause significant variations in operating results in any particular quarter.

There are also a number of factors other than the performance of the Company that is not within its control that could cause fluctuations in operating results. These include:

- the duration of tax holidays or exemptions and the availability of other Government of India incentives;
- the outcome of any tax, legal or regulatory review, action or litigation;
- currency exchange rate movements;
- other general economic factors.

30. The Company is proposing to invest substantial cash assets in new facilities and physical infrastructure, and its profitability could be reduced if its business does not grow proportionately.

The Company expects to invest approximately Rs.1609.34 lakhs in capital expenditures in Fiscal 2010 and Fiscal 2011 in order to establish development facility and procure additional computing equipment that the Company believes will give a platform to grow its business. However, the Company may not receive the benefits that it expects from its investment in this facility. Further, the Company may encounter cost overruns or project delays in connection with new facility. This expansion will increase its fixed costs. If the Company is unable to grow its business and revenues proportionately, its profitability will be reduced.

31. Company's Subsidiaries have incurred losses in the past.

The following Subsidiaries of the Company have incurred losses in the past. The details of profit / (loss) after tax of these Subsidiaries for Fiscals , 2007, 2008, and 2009 are as under:

Rs. In Lakhs

Name of the Subsidiary	*2006-07*	*2007-08*	*2008-09*
Thinksoft Global Services Inc.,	(0.15)	(1.03)	--
Thinksoft Global Services (Europe) GmbH	(1.26)	(3.92)	--
Thinksoft (India) Services Private Ltd	(0.88)	(1.19)	(0.80)

32. The Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.

The amount of the Company's future dividend payments, if any, will depend upon its future earnings, financial condition, cash flows, working capital requirements and capital expenditure. There can be no assurance that the Company will be able to pay dividend in future.

33. The conditions imposed by Lakshmi Vilas Bank for financing arrangement could adversely affect the Company's ability to conduct its business and operations.

The Company has entered into a financing arrangement with Lakshmi Vilas Bank. Pursuant to the financing arrangement, Lakshmi Vilas Bank has imposed on the Company certain restrictive covenants, such as to obtain prior permission for change in capital structure, formulate any scheme of amalgamation or reconstructions, implement any scheme of expression or acquire fixed assets other than those shown in the cash flow statements; invest by way of share capital in or lend or advance funds to or place deposits with any other concern; enter into borrowing arrangement either secured or unsecured with any other bank, financial institutions and firm or otherwise; undertake guarantee obligations on behalf of any other firm; declare dividend over and above the percentage indicated in the cash flow statements for any year; withdraw loans/deposits secured from Directors and promoters of the firm; give guarantee on behalf of any third party and dispose off whole or substantially the whole of the undertaking.

For further details see "Financial Indebtedness" on page 263. Failure to meet any of the conditions may have an adverse effect on the business and operations of the Company.

34. The Company intended use of proceeds from the Issue has not been appraised by any bank or financial institution.

The net proceeds from this Issue are expected to be used as set forth under "Objects of the Issue" on page 39.

The proposed activities for which the proceeds are being raised have not been appraised by any bank or financial institution and the proceeds requirements are based in part on the management's estimates.

35. The Company is involved in certain legal proceedings, being taxation disputes

The Company is party to 5 legal proceedings - one before the Commissioner of Central Excise (Appeals) and four before the Commissioner of Income Tax (Appeals). The said aggregate amount in dispute is approximately Rs. 88.36 lakhs

A summary of the matters that the Company is party to is as under:

Proceedings filed by the Company

Parties	**Summary**
Company V/s. Commissioner of Service Tax	The Additional Commissioner of Service Tax has alleged that the Company has not paid the service tax on the 'Technical testing and analysis' services rendered by them for the period from July 1, 2003 to December 31, 2005 in violation of Section 68 of Finance Act, 1994 read with Rule 4 of the Service Tax Rules, 2004, vide Show Cause Notice dated July 18, 2007 to which the Company replied stating that their case do not fall within the purview of the Finance Act, 1994. The Additional Commissioner after hearing the case passed the order in Order-in Original No. 15/2008 dated June 12, 2008 calling upon the Company to pay a service tax of Rs. 35,75,556/- and education cess of Rs. 33,782/- for the period from July 1, 2003 to December 31, 2005. Further, the Company has been asked to pay interest and also penalty. Aggrieved by the said order, the Company has preferred an appeal on September 18, 2008 before the Commissioner of Central Excise (Appeals) and has also filed a stay petition with the Commissioner for the recovery of disputed amount. The matter is pending adjudication before the Commissioner of Central Excise (Appeals).
Thinksoft Global Services Limited V/s. The Assistant Commissioner of Income Tax	The Assistant Commissioner of Income Tax issued a notice under Section 142 (1) dated September 21, 2007 related to the AY 2005-06 alleging that the Company was claiming deduction under Section 10A of the Income Tax Act, 1961 before setting off the unabsorbed depreciation for assessment year 2004-05. Further, he rejected the revised Form 56F filed by the Company alleging that it was not filed before March 31, 2007 vide its Order dated November 30, 2007. The Company has filed an appeal against the said Order before the Commissioner of Income Tax (Appeals). The Company had also filed the revised return in Form 56F on the ground that while computing the export turnover of the undertaking, the turnover of the United Kingdom branch had been inadvertently omitted. The matter is pending adjudication before the Commissioner of Income Tax (Appeals) Bangalore.
Thinksoft Global Services Limited V/s. The Assistant	The Company had filed its return of income for the assessment year 2002-2003 declaring a total income of Rs.29,56,270/- Thereafter an order dated July 30, 2007 was passed by the Asst. Commissioner of Income Tax making certain exclusions

Commissioner of Income Tax	from export turnover and lowering the deduction under section 10A of the Income Tax Act, 1961 by Rs.16,56,547/-. Consequently, the total income as determined by the assessing officer was Rs. 46,12,817/- This resulted in an increase of. Rs.5,91,386./- in the tax demand. Furthermore the assessing officer levied interest pursuant to which the total tax payable as per the assessment order under section 143 (3) of the Income Tax Act,1961 was Rs.6,45,515/-. Aggrieved by the said order, the Company has filed an appeal on September 12, 2007 before the Commissioner of Income Tax (Appeals) seeking that the order of the Assessing Officer be set aside. The matter is pending adjudication - before the Commissioner of Income Tax (Appeals) Bangalore.
Thinksoft Global Services Limited V/s. The Assistant Commissioner of Income Tax	The Company had filed its return of income for the assessment year 2003-2004 declaring a total income of Rs.54,87,222/- Thereafter an order dated July 30, 2007 was passed by the Asst. Commissioner of Income Tax making certain exclusions from export turnover and lowering the deduction under section 10A of the Income Tax Act, 1961 by Rs.35,66,177/-. Consequently, the total income as determined by the assessing officer was Rs. 90,53,339/- .This resulted in an increase of Rs.13,10,915./- in the income tax demand. Furthermore the assessing officer levied interest pursuant to which the total tax payable as per the assessment order under section 143 (3) of the Income Tax Act,1961 was Rs.15,36,518/-. Aggrieved by the said order, the Company has filed an appeal on September 12, 2007 before the Commissioner of Income Tax (Appeals) seeking that the order of the Assessing Officer be set aside. The matter is pending adjudication - before the Commissioner of Income Tax (Appeals) Bangalore.
Thinksoft Global Services Limited V/s. The Assistant Commissioner of Income Tax	The Company had filed its return of income for the assessment year 2006-2007 declaring a total income of Rs.40,03,372/- Thereafter an order dated November 28, 2008 was passed by the Asst. Commissioner of Income Tax making certain exclusions from export turnover and recomputed the deduction under section 10A of the Income Tax Act, 1961 resulting in a demand of Rs.43,77,039. The Company thereafter filed a petition under section 154 of the Income Tax Act, 1961 for rectification of certain mistakes apparent from the records. Thereafter, the Assessing Officer passed a Rectification Order dated February 3, 2009, lowering the deduction under section 10A of the Income Tax Act, 1961. This resulted in a tax demand of Rs.30,44,591/- which includes interest. Aggrieved by the said order, the Company has filed an appeal on February 10, 2009 before the Commissioner of Income Tax (Appeals) seeking that the order of the Assessing Officer be set aside. The Company has also requested the Assistant Commissioner of Income Tax to keep in abevance the collection of taxes till the above appeal matter filed before the Commissioner of Income Tax (Appeals) is

	disposed of. In the meanwhile, on February 27, 2009, the Company has paid an amount of Rs.15,25,000/- and the balance amount of Rs.15,19,591/- was deducted by the department from the amount due from the assessment year 2007-08. Further, the Company has received a notice dated April 17, 2009 calling upon the Company to show cause as to why penalty under section 271 (1) (c) of the Income Tax Act, 1961, should not be levied. The Company vide letter dated April 22, 2009 had informed the authority that its representative was unable to be present as notice was received on April 21, 2009 and hence requested that the hearing be held at a convenient date. No further correspondence has been received by the Company from the Authorities. The matter is pending adjudication before CIT (Appeals) Bangalore.

Further, the Company is in receipt of certain notices from Income Tax authorities, Regional Officer, ESI and Professional Tax Officer. The Company's failure to successfully defend these or other claims, its business, prospects, financial condition and results of operations could be adversely affected. For more information regarding litigation, refer to "Outstanding Litigation and Material Developments" on page. 266 of this Red Herring Prospectus.

36. The Company requires certain approvals or licenses in the ordinary course of business.

The Company requires certain approvals, licenses, registrations, and permissions to operate its business, some of which may have expired and for which the Company may have either made or are in the process of making an application to obtain the approval or its renewal. If the Company fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, the Company's business may be adversely affected.

37. There have been delays in the implementation of the Project. The implementation of the project is subject to receipt of various statutory and regulatory approvals.

The implementation of the Company's Project has suffered a delay of 7 months on account of various factors including delay in the receipt of approvals from the Chennai Metropolitan Development Authority. The Company is yet to receive the licenses/approvals from the concerned municipal authorities and/or local authorities pertaining to for the development facility at MEPZ-SEZ, including but not limited to building sanction plan.

The licenses and approvals required to be obtained by the Company for the purpose of carrying on its existing and proposed businesses are granted by governmental or statutory authorities. The grant of these licenses and approvals are effected under the due processes and procedures as prescribed by the applicable governmental/ municipal rules and regulations. Further, the grant of the licenses are contingent upon the satisfaction of certain norms and conditions as may be prescribed by the relevant authority as well as an inspection of the facilities of the Company. Consequently, there may be a substantial amount of delay in the receipt of the required approvals. Failure or delay in obtaining these approvals would adversely affect the expansion plans and business and may result in significant cost over runs and hence could adversely affect the financial condition and results of operations of the Company.

38. Over the past 12 months the Company has issued equity shares, and may have done so at prices which are lower than offer price of the equity shares in this Issue.

The Company had, on September 17, 2008, made a bonus issue of equity shares to its shareholders in the ratio of 1:9, the payment for which was effected out of the Company's general reserves. The Company had also allotted 2 equity shares at a price of Rs. 42.50 each on September 17, 2008 being fractional shares pursuant to the bonus issue. Further, the Company had issued 1,68,720 equity shares at Rs.10 per share on September 12, 2008 under its erstwhile ESOP scheme. The prices at which the above allotment of equity shares were made may be lower than the Issue price to be determined through the book-building process. For further details, please refer to the sub-section titled "Capital Structure" commencing from page 25 of this Red Herring Prospectus.

39. Availability of Visas / work Permits for employees to work On-site.

The Company executes Clients Projects both from Off-shore (i.e. from India) as well as On-site (at various locations) outside India. Working onsite would require Visas / Work Permits, of different countries. Any change in the Visa regulations resulting in delay / non-issue of work permits is likely to affect the company's capability to execute projects On-site.

40. Error in disclosure of name of Euro Indo Investments(EII), one of Selling Shareholders in the books of the Company.

The name of one of the Selling Shareholders, EII, Mauritius, has been erroneously shown as "Euro Indo Investments Limited" in certain records maintained /filed by the Company. In this regard, EII has issued a letter dated October 20, 2008 informing the Company that its true and correct name as evidenced by the certificate of incorporation is EII and has authorised the Company to undertake steps as it deems fit and necessary to rectify such error. The Company has notified to the relevant persons/authorities of the same.

41. Error in disclosure of the identity of Euro Indo Investments, one of the Selling Shareholders in the filings made with the Reserve Bank of India.

Euro Indo Investments, one of the Selling Shareholders, has been declared as an "OCB" in the form FC-GPR filed with the Reserve Bank of India, in connection with the intimation relating to the issue of shares of the Company to a non resident. The Company has received a letter dated January 5, 2009 from Euro Indo Investments stating that they (EII) do not fall under the category of OCB, and requesting the company to record the same and intimate the authorities. The company vide its letter dated January 9, 2009 intimated Reserve Bank of India, about the inadvertent error in the FC-GPR filed earlier and requesting that Euro Indo Investments may be classified appropriately as per EII declaration / letter.

42. One of the Subsidiaries of the Company has initiated proceedings to voluntarily wind up its operations.

Thinksoft (India) Services Private Limited, a subsidiary of the Company, has initiated proceedings for voluntary winding up under Section 484 of the Companies Act, 1956. The Promoters of the Company are on the board of Thinksoft (India) Services Private Limited and have submitted declarations and affidavits under applicable laws, relating to the solvency of such subsidiary, as part of such winding up proceedings. Any director making a declaration without having reasonable grounds shall be punishable with imprisonment which may extend upto six months or with fine which may extend to Rs.50,000 or both.

43. Some of the customer contracts entered into by the Company are not stamped as per the applicable laws.

Some of the customer contracts entered into by the Company have not been stamped as per the applicable laws. In the event of the contracts not being stamped, such contracts cannot be presented as evidence in a court of law, in the event of any disputes arising under the same, unless applicable stamp duties along with penalties are duly paid.

44. Reduction or termination of tax incentives and benefits available to the Company's proposed project to be established in the Madras Export Processing Zone, Tambaram, Chennai.

The Company proposes to establish a development facility at the Madras Export Processing Zone, Tambaram, Chennai, out of the Issue proceeds. A SEZ unit in India is entitled to certain tax incentives and benefits, more fully detailed in this Red Herring Prospectus, subject to the fulfillment of the terms and conditions imposed by the SEZ authorities such as utilization of the export income derived from the SEZ unit for the purpose of acquiring plant and machinery or for the business but not for the distribution of dividends or profits, achieving the prescribed Net Profit Exchange, export the goods manufactured for a period of 5 years from the date of commencement of the production activities, etc. In the event that the Company is unable to or do not comply with the said terms and conditions, the Company will not be entitled to such tax incentives and benefits. Further, the Company cannot assure you that the Indian Government will not enact laws in the future that would adversely impact its tax incentives and benefits and consequently, its tax liabilities and profits.

***45.* Net worth erosion of M/s. Wholistic Breads Pvt. Ltd. in which one of the Promoter Directors of the Company holds substantial shareholding and directorship.**

Ms. Vanaja Arvind, one of the Directors of the Company, is a director on the board of M/s. Wholistic Breads Pvt. Ltd. which is suffering from net worth erosion. Wholistic Breads Pvt. Ltd, which was incorporated on July 06, 2007, is engaged in the business of manufacturing of health food products and has accumulated losses exceeding its entire net worth in the first year of its operations.

46. Non-renewal or objection for the renewal of the registration of Chartered Capital and Investment Limited with SEBI.

Chartered Capital and Investment Limited, the Co- book Running Lead Manager for the Issue, are registered as Merchant Bankers having registration number INM000004018 under SEBI, which registration was valid upto March 31, 2009. Chartered Capital and Investment Limited has made the necessary application to SEBI on December 15, 2008 for the renewal of the registration. Any rejection, cancellation and/or any objection being raised with respect to the renewal of the registration by SEBI will disentitle/disqualify Chartered Capital and Investment Limited from acting as book running lead managers to the Issue.

47. ***The auditors of the Company have made an audit qualification in the Annexure to the Auditor's Report for the fiscal year 2009.***

The following audit qualification has been mentioned in the Annexure to the Auditor's Report of the Company for the financial year 2008-2009:

"According to the information and explanations give to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, customs duty, cess and other material statutory dues applicable to it with the appropriate authorities except for a sum of Rs.81,34,634 relating to provident fund contribution (both employer and employee share) for international workers made applicable from November 2008. This has since been remitted in June 2009. Statutory dues in respect of sales tax, excise duty, investor education and protection fund and employee state insurance are not applicable to the Company."

EXTERNAL RISK FACTORS

48. An economic downturn may negatively impair operating results of the Company.

Discretionary spending on IT products and services in most parts of the world has significantly decreased due to a challenging global economic environment. This may result in cancelled, reduced or deferred expenditures for IT services, resulting in lower gross and operating income of the Company.

49. Political instability or changes in the government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could impact the Company's financial results and prospects.

The role of the Indian Central and State Governments in the Indian Economy as producers, consumers and regulators is significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous governments, the rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in the Company's securities could change as well.

50. Offshore outsourcing has come under increased scrutiny by various state governments in the United States.

Recently, offshore outsourcing has come under increased government scrutiny within the United States and Europe due to its perceived association with loss of jobs in such countries. Some of the U.S. states in the past have enacted legislation restricting government agencies from outsourcing their back office processes to companies outside the United States.

It is also possible that U.S. private sector companies that work with these states may be restricted from outsourcing their work related to government contracts. Any changes to existing laws or the enactment of new legislation restricting offshore outsourcing may adversely impact the Company's ability to do business in the United States and thus adversely affect its revenues and profitability.

51. Reduction or termination of tax incentives will increase the tax liability and reduce profitability of the Company.

Currently, the Company benefits from certain tax incentives under Section 10A of the Income Tax Act for the IT services that it provides from specially designated "Software Technology Parks," or STPs. As a result of these incentives, its operations in India have been subject to relatively low tax liabilities.

Under current laws, the tax incentives available to these units terminate on the earlier of the ten year anniversary of the commencement of operations of the unit or March 31, 2010. The Company cannot assure you that the Indian Government will not enact laws in the future that would adversely impact its tax incentives and consequently, its tax liabilities and profits. When the tax incentives expire or terminate, the Company's tax expenses will materially increase thereby reducing its profitability.

52. Terrorist attacks and other acts of violence or war involving India, the United States, and other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect the Company's business, results of operations and financial condition.

Terrorist attacks, such as the ones that occurred in New York and Washington, D.C., on September 11, 2001, New Delhi on December 13, 2001, London July 7, 2005, Mumbai on November 26, 2008 and other acts of violence or war, including those involving India, the United States or other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect the Company's business, results of operations and financial condition.

More generally, any of these events could adversely affect client confidence in India as an outsourcing base and increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

53. After this Issue, the price of the Company's Equity Shares may be highly volatile, or an active trading market for its Equity Shares may not develop.

The prices of the Company's Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market;
- Company's results of operations and performance;
- performance of its competitors, the Indian IT industry and the perception in the market about investments in the IT sector;
- adverse media reports on the Company or the Indian IT industry;
- changes in the estimates of the Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies;
- Significant developments in India's fiscal and environmental regulations.

There has been no public market for the Company's Equity Shares and the prices of its Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for its Equity Shares will develop or be sustained after this Issue, or that the prices at which its Equity Shares are initially traded will correspond to the prices at which its Equity Shares will trade in the market subsequent to this Issue.

54. The Company operates in a highly competitive environment and this competitive pressure on its business is likely to continue.

The market for IT Services is highly competitive and rapidly evolving. The Company primarily faces competition from the large Indian IT services companies as well as international technology services companies which offer broad-based services, offshore captive centers of global corporations and technology firms, offshore OPD specialists and niche OPD vendors. The Company anticipates this competition to continue to grow as the demand for these services increases and it also expects new entrants to enter the Indian markets. Clients that presently outsource a significant proportion of their IT service requirements to vendors in India may seek to reduce their dependence on one country and outsource work to other offshore destinations such as China, Russia and Eastern European countries.

NOTES TO RISK FACTORS

1. Public Issue of 36,46,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs. The Issue consists of a Fresh Issue of 13,50,000 Equity Shares and an Offer for Sale of 22,96,000 Equity Shares by EII and Mr. Vinod Ganjoor. The Issue would constitute 36.27% of the post-Issue paid-up Equity Capital of the Company.

2. The net worth of the Company (consolidated and unconsolidated basis) before the Issue, as on 31st March, 2009 was Rs. 4689.58 lakhs and Rs.4369.78 lakhs respectively.

3. There have been transactions in the Equity Shares of the Company by the Promoters and Promoter Group during the period of six months preceding the date on which this Red Herring Prospectus filed with SEBI. For details please refer to the section "Capital Structure of the Company" on page 25 of this Red Herring Prospectus.

4. The book value as on 31st, March 2009 (consolidated and unconsolidated basis) was Rs.53.89 and Rs.50.22 per Equity Share respectively.

5. The average cost of acquisition of Equity Shares by the Promoters is as under:-

Name of the Promoter	No. of Equity shares acquired	Average cost of acquisition of per Equity Shares (Rs.)
Mr. Asvini Kumar. A.V.	36,42,777	0.40
Ms. Vanaja Arvind	10,50,662	7.02
Mr. Mohan Parvatikar	1,38,853	15.65

6. Other than as disclosed either in related party transaction or otherwise, the promoter / directors / key management personnel of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits arising out of the shareholding/employment in its Company or its subsidiary or any business relation with any of the ventures in which they are interested. For interests of promoters and directors, please refer the chapters "Management" and "Promoters" beginning on pages 131 and 149 of this Red Herring Prospectus.

7. The aggregate value of related party transactions for the FY 2009 is Rs.698.01 lakhs. For details, please refer to related party transactions, on page 199 under the section titled 'Financial Statements'.

8. No loans and advances have been made to any persons/companies in which the Directors of the Company are interested except as stated in the Auditors Report. For details please refer to page 191 of the Auditors Report.

9. The Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (of which 5% will be available for allocation for Mutual Funds). Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Offer Price.

10. Investors may note that in case of over-subscription in the Issue, allotment shall be on a proportionate basis. For more information, please refer to page 350 under the section titled 'Basis of Allotment or Allocation'.

11. Trading in Equity Shares of the Company for all investors shall be in dematerialized form only.

12. The Investors are advised to refer to page 52 under the section titled 'Basis for Issue Price' before making an investment in the Issue.

13. None of the other ventures of Promoters have business interests/other interests in the Company.

14. Investors may contact the BRLMs or the Compliance Officer for any complaints, information or clarifications pertaining to the Issue and they will be obliged to attend to the same. For contact details of the BRLMs and the compliance officer please refer to page 13 & 14 of this Red Herring Prospectus.

SECTION III - INTRODUCTION

A. SUMMARY

You should read the following summary together with the Risk Factors on page [xiii] of this Red Herring Prospectus and the more detailed information about the Company and its financial statements included in this Red Herring Prospectus.

SUMMARY OF INDUSTRY AND BUSINESS

Industry Outlook

While the forecast spend in the global IT industry remains moderate, the Indian IT Industry is expected to continue on its growth trajectory, albeit at a lesser rate.. As before, service exports will be the key drivers of this growth – suitably complemented by a booming economy and a growing domestic market.

Global Technology Related Spending

2007 was a year of continued growth for the technology and related services sector, with the worldwide spending aggregate estimated to reach nearly USD 1.7 trillion, a growth of 7.3 per cent over the previous year. Software and services continue to lead, accounting for over USD 1.2 trillion – over 71 per cent of the total spend. Hardware spends, at USD 478 billion, accounted for over 28 per cent of the worldwide technology spending aggregate in 2007.

IT services spending – worldwide

IT services, accounting for nearly a third of the total, form the largest segment of the worldwide spend on technology products and related services. Total spend on IT services in 2007 was estimated at over USD 495 billion, a growth of 6 per cent over USD 467 billion in 2006.

Outsourcing was the largest and fastest growing category of IT services spending in 2007, with Companies continuing to opt for external service provisioning as a means of managing their own businesses more effectively and efficiently. This category, estimated at over USD 183 billion (nearly 37 per cent of the total IT services spends), is estimated to have grown by 7.4 per cent over the corresponding figure for 2006 – driven by high double digit growth across segments such as hosted application management and infrastructure services.

Global Outsourcing Spending Patterns

While the Americas region, specifically the US, continues to dominate overall software and service spends, 2007 witnessed a gradual shift in outsourced spending patterns in favour of the EMEA and Asia Pacific regions. For the first time, the total value of contracts awarded in a single year in EMEA exceeded the corresponding value for contracts awarded in the US, in 2007.

Off shoring opportunities

Comparing the growth in worldwide spends on key categories of IT services with the growth in offshore spends for the same services, it is observed that growth in offshore spend across categories is at least twice as high as the overall growth in category spends – and up to nine times faster for emerging segments such as infrastructure management services. However, the total offshore spend even on custom application development and maintenance, which has the highest levels of offshore penetration, is still less than 16 per cent of the total spend on the segment.

Future Outlook

The global sourcing phenomenon is fundamentally driven by three factors today, namely, access to newer talent pools, reduction in costs, and improvements in specific aspects of business other than costs.

While the first two factors were really responsible for the pioneering of global sourcing and remain the primary drivers even today, the third factor (business improvements) has gained increasing importance. As global sourcing has evolved, buyers have started extracting much broader-based business benefits by more effectively utilising remote delivery.

The future outlook on all these factors favour strong growth for global sourcing. Cost pressures are likely to continue unabated on businesses as customers continue to demand more for less in an increasingly competitive global environment. Companies are also increasingly having to deal with a host of environmental considerations such as global warming, social responsibilities, and compliance issues which – though necessary – are adding to the draw on their resources and are a further strain on their profitability. With the threat of a potential slowdown in economic growth, the pressure to contain costs is likely to increase further. Global sourcing offers companies an effective means of controlling these costs.

Access to talent, already a key driver, is likely to become more critical in the medium to long term due to the changing profile of the workforce demographics in most developed countries. An analysis of the population patterns show that countries like USA, UK, France, Japan and Germany will face a significant shortfall in the total workforce by 2020.

(Source: NASSCOM Strategic Review Report February, 2008)

BUSINESS OVERVIEW

The Company is a Banking, Financial Services and Insurance (‘***BFSI***’) focussed software testing enterprise with over 8-million person hour track record. The Company operates in the financial and insurance software testing space that transforms company performance and operational effectiveness. The Company was rated among ‘**Deloitte Tech Fast 50 India**’ and ‘**Deloitte Tech Fast 500 Asia Pacific**’ in the years 2006 and 2007 and ‘**Deloitte Tech Fast 500 Asia Pacific**’ in the year 2008.

Companies in the BFSI sector are constantly increasing their investments in IT as part of their strategy to increase profits, improve time-to-market of new products and services, cope with regulatory changes and meet rising customer demands. The problems are aggravated by mounting pressures to respond quickly to these challenges. Banks and financial institutions are sensitive to the knowledge that a single error can result in loss of repeat business, revenues and reputation. They realise the importance of testing and re-testing systems, processes, protocols and products.

By its very nature, the software testing is a very exacting job, making it imperative for this service to be managed by highly dedicated specialists and experts with the necessary domain knowledge. With 10 plus years of experience in financial domain focused independent testing, the Company has acquired the ability to customize testing solutions for clients across a variety of business areas and products to systems integrators, product development companies, and to the clients in the finance sector to achieve near defect-free rollouts. These include.

Sr. No.	Business Activity	Name of Product Tested*copy rights and patents belong to the respective product Cos
1	Core Banking / Retail Banking	Finacle, Bancs 24, Flexcube, Newton, FinnOne, Equation, T24, CS Eximbills
2	Treasury	Kondor+, Kastle, Urbis
3	Investment Banking	MIDAS
4	Retail Lending / Loans / Mortgages	Pan Credit, LSI-NT, Foresee, Cheque mate, NBO, Generalized Installment Loans, System, Integrated Consumer Credit System
5	Credit Cards	VisionPLUS®, TS2, PRIME
6	Payment System	STS – CWS
7	Corporate Banking	FLEXCUBE®
8	Insurance	GENIUS, METFACS2, PREMIA
9	Private Banking	ORBI
10	CRM	Siebel
11	Campaign Management	ClarityQ

The Company has established a global presence / footprint in New York, London, Frankfurt, Singapore, Hong Kong, Brussels, Sydney, Bangalore and Chennai through its Wholly Owned Subsidiaries, Branch Offices and Place of Establishments.

B. THE ISSUE

The Issue	36,46,000 Equity Shares.
Which comprises	
Fresh Issue by the Company	13,50,000 Equity Shares
Offer for Sale by the Selling Shareholders	22,96,000 Equity Shares
Of Which	
A) QIB Portion	Upto 18,23,000 Equity Shares (allocation on proportionate basis), out of which upto 5% i.e.,91,150 shall be available for allocation on a proportionate basis to Mutual Funds (Mutual Funds Portion), and balance Equity Shares shall be available for allocation to all QIBs, including Mutual Funds.
B) Non-Institutional Portion	At least 5,46,900 Equity Shares (allocation on proportionate basis)
C) Retail Portion	At least 12,76,100 Equity Shares (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	87,01,581 Equity Shares
Equity Shares outstanding after the Issue	1,00,51,581 Equity Shares

Use of proceeds by the Company	See the section titled "Objects of the Issue" on page 39 of this Red Herring Prospectus. The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders.

Note:
The Company may consider participation by Anchor Investors for upto 5,46,900 Equity shares in accordance with applicable SEBI Guidelines.

Under-subscription, if any, in any category would be allowed to be met with spill-over inter-se from the other categories, at the sole discretion of the Company and the Selling Shareholders in consultation with the BRLMs.

C. SUMMARY FINANCIAL INFORMATION

The following table sets forth the selected historical financial information of Thinksoft Global Services Limited derived from its restated and audited unconsolidated and consolidated financial statements for the fiscal years ended 31 March, 2005, 2006, 2007, 2008 and 2009 all prepared in accordance with Indian GAAP, the Companies Act, 1956 and SEBI guidelines, and restated as described in the auditor's report of M/s PKF Sridhar and Santhanam & Co., included in the section titled "Financial Statements " on page 156 of this Red Herring Prospectus and should be read in conjunction with those financial statements and notes thereon.

STATEMENT OF UNCONSOLIDATED RESTATED ASSETS AND LIABILITIES

(Rs. In lakhs)

	Particulars	As on				
		31.03.09	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
A	**Fixed assets :**					
	Gross block	881.84	837.11	674.48	462.31	400.98
	Less: Accumulated Depreciation	(566.63)	(603.37)	(477.58)	(322.18)	(291.28)
	Net block	315.21	233.74	196.90	140.13	109.70
	Capital work-in-progress including capital advances	19.67	48.00	24.44	134.76	-
		334.88	**281.74**	**221.34**	**274.89**	**109.70**
B	**Investments**	**100.98**	**100.98**	**100.98**	**100.98**	**73.83**
C	**Deferred tax assets**	**62.27**	**34.07**	**13.27**	**7.26**	**3.69**
D	**Current assets, Loans and Advances :**					
	Sundry debtors	2,354.04	2,017.05	1,733.73	970.81	491.32
	Cash and bank balances	2,111.97	994.42	521.21	253.88	475.75
	Loans and advances	1,055.25	721.50	276.46	368.98	237.24
	Other current assets	11.50	25.50	0.96	57.51	2.47
	Total	**5,532.76**	**3,758.47**	**2,532.36**	**1,651.18**	**1,206.78**
E	**Liabilities and provisions**					
	Secured loans	-	-	-	1.11	6.37
	Unsecured loans	**-**	**-**	**-**	**-**	**-**
	Current liabilities and provisions	1,661.11	1,144.21	754.33	578.53	220.72
	Deferred tax liability (net)	-	-	-	-	-
	Total	**1,661.11**	**1,144.21**	**754.33**	**579.64**	**227.09**
F	**Net worth (A+B+C+D-E)**	**4,369.78**	**3,031.05**	**2,113.62**	**1,454.67**	**1,166.91**
	Represented by					
G	Share capital	**870.16**	**766.27**	**724.46**	**706.77**	**706.77**
H	**Reserves and surplus**					
	General reserve	220.72	212.97	142.22	82.22	82.22
	Share Premium account	91.08	91.97	-	-	-
	Accumulated profit	3,187.82	1,901.71	1,246.94	665.68	377.92
	Total	**3,499.62**	**2,206.65**	**1,389.16**	**747.90**	**460.14**
I	Employees Stock Options Outstanding	-	**58.13**	**-**	**-**	**-**
J	**Net worth (G+H+I)**	**4,369.78**	**3,031.05**	**2,113.62**	**1,454.67**	**1,166.91**

The above summary statement is to be read with notes to the restated financial statements and significant accounting policies as appearing in Annexure IV & IV - A

Notes:

1. **Sundry Debtors:** The debtors figures have increased over the years i.e. as on 31.03.2006 Rs. 970.81 lakhs (when sales for the FY 2005-06 was at Rs. 3,444.79 lakhs; 103 days of sales) to Rs.1,733.73 lakhs as on 31.03.2007 (when sales for the FY 2006-07 was at Rs.5,265.98 lakhs; 120 days of sales) to Rs. 2,017.05 lakhs as on 31.03.08 (when sales for the FY 2007-08 was at Rs. 6,977.26 lakhs; 106 days of sales) and to Rs. 2,354.04 lakhs as on 31.03.2009 (when sales for the FY 2008-09 was at Rs.8,895.95 lakhs;97 days of sales).

The increase over the years is mainly on account of increase in revenues.

None of the beneficiaries of sundry debtors are related to the Promoters/Directors of the Company.

2. **Current liabilities and provisions:** The current liabilities and provisions figures stood at Rs.220.72 lakhs (as on 31.03.2005) increased to Rs. 578.53 lakhs (as on 31.03.2006), Rs.754.33 lakhs (as on 31.03.2007), Rs. 1144.21 lakhs (as on 31.03.2008) and stood at Rs. 1661.11 lakhs (as on 31.03.2009).

This is mainly due to increase in operations resulting higher expenditure, for which provision has been created in the books, which were paid in subsequent period. Items contributing to this consist of:

(Rs. in lakhs)

Particulars as on	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05
Creditors for Supplies / Services (various vendors a/c)	124.73	60.70	44.77	90.46	31.37
Unearned Revenue	-	-	9.85	17.09	-
Advances received from customers	8.88	6.76	25.00	-	-
Withholding and other taxes payable	102.57	74.95	51.02	53.81	23.51
Provision for taxation (net of advance tax payments)	120.10	39.49	21.41	8.35	-
Provision for fringe benefit tax (net of advance tax payments)	-	-	0.65	4.18	-
Provision for gratuity	145.59	69.00	29.88	16.18	-
Provision for dividend	87.02	-	36.22	70.68	42.41
Provision for corporate tax on dividend	14.79	-	6.16	9.91	5.95
Other provision for expenses	1,057.43	893.31	529.57	307.87	117.48
	1,661.11	**1,144.21**	**754.33**	**578.53**	**220.72**
Provision for expenses Breakup					
Salary, Incentive & related	382.15	419.58	281.98	184.13	61.75
Sales discount	162.14	112.94	26.45	-	-
Provision for ESOP	-	58.12	-	-	-
Professional fee	82.34	57.72	48.94	22.18	8.50
Other statutory payment	109.57	20.14	22.33	13.24	7.60
Telephone	1.22	9.17	4.25	2.88	1.84
Electricity	6.46	1.72	8.73	6.22	4.41
Insurance	5.98	4.84	-	-	-
Rent payable	-	3.87	0.80	15.12	9.17
Interest on BGs	-	-	-	32.08	-
Credit card payment for travel	9.12	4.40	8.02	0.18	2.47
Travel Claims and per diem provision	212.78	112.51	61.38	8.97	1.30

Connectivity	1.56	36.78	27.56	1.53	1.53
Legal consultant	7.30	3.44	-	-	-
Provision for supplies / services from vendors for which bills are yet to be received	76.81	48.08	39.13	21.35	18.91
Total Provision for Expenses	**1,057.43**	**893.31**	**529.57**	**307.87**	**117.48**

3. Loans and advances:

Comparison between 31.03.09 & 31.03.08

Loans & Advances as on 31.03.2009 was Rs.1055 Lakhs compared to Rs. 721 Lakhs as on 31.03.08; an increase of Rs. 333 Lakhs; contributed by Increase Loan to employees Rs. 60 lakhs + MAT credit entitlement increase by Rs. 124.00 Lakhs + statutory payment Rs.42 lakhs.

Comparison between 31.03.08 & 31.03.07

Loans & Advances as on 31.03.08 was Rs. 721 Lakhs compared to Rs. 276 Lakhs as on 31.03.07; an increase of Rs. 444 Lakhs; contributed by Increase in rental deposit Rs.119 lakhs + Adv to suppliers Rs.86 lakhs & Rental advance Rs.94 Lakhs + MAT credit entitlement Rs. 68 lakhs.

Comparison between 31.03.07 & 31.03.06

Loans & Advances as on 31.03.07 was Rs. 276 Lakhs compared to Rs. 368 Lakhs as on 31.03.06; an decrease of Rs. 92 Lakhs; contributed by decrease in advance to supplier compared to previous year amounting Rs. 34 lakhs + Rental deposit also decreased compared to previous year amounting Rs. 29 lakhs and increase of prepaid expenses compared to previous year amounting Rs. 17 Lakhs.

Comparison between 31.03.06 & 31.03.05

Loans & Advances as on 31.03.06 was Rs. 368 Lakhs compared to Rs. 237 Lakhs as on 31.03.05; an increase of Rs. 131 Lakhs; contributed by increase in staff advance Rs. 31 lakhs + Rental Deposit Rs. 95 Lakhs + advance to suppliers Rs. 42 lakhs and decrease in prepaid expenses amounting Rs. 34 lakhs compared to previous year.

STATEMENT OF UNCONSOLIDATED RESTATED PROFITS AND LOSSES

(Rs. in lakhs)

Particulars	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
INCOME					
Sale of services					
Within India	317.89	594.52	241.49	147.98	149.87
Rest of the World	8578.06	6,382.74	5,024.49	3,296.81	1,604.50
TOTAL	**8,895.95**	**6,977.26**	**5,265.98**	**3,444.79**	**1,754.37**
Other income	302.74	20.12	34.24	18.82	40.32
TOTAL INCOME (A)	**9,198.69**	**6,997.38**	**5,300.22**	**3,463.61**	**1,794.69**
EXPENDITURE					
Employees' remuneration and benefits	4,968.46	3,934.12	2,763.53	1,855.93	769.11
Operating Expenses	1,349.79	909.11	715.32	528.84	420.51
Administration expenses	980.41	773.84	660.93	541.23	397.73
Selling expenses	174.72	102.59	94.52	37.38	28.80
Financial charges	22.45	7.14	10.15	4.84	14.74
Exchange rate fluctuation loss (net)	-	110.33	-	15.70	21.25
Depreciation	158.51	132.77	181.82	77.85	58.40
TOTAL EXPENDITURE (B)	**7,654.34**	**5,969.90**	**4,426.27**	**3,061.77**	**1,710.54**
Profit before tax (A-B)	**1,544.35**	**1,027.48**	**873.95**	**401.84**	**84.15**
Provision for taxation					
- Current tax (restated)	277.07	165.94	53.78	22.20	11.31
- Deferred tax	(28.20)	(26.98)	(6.00)	(3.57)	1.86
- Fringe benefit tax	31.72	22.90	18.62	14.86	-
- Minimum Alternate Tax Credit	(124.15)	(68.45)	-	-	-
Total	**156.44**	**93.41**	**66.40**	**33.49**	**13.17**
Net profit/(loss), Before Extraordinary Items, as restated	**1,387.91**	**934.07**	**807.55**	**368.35**	**70.98**
Extraordinary Items	-	-	-	-	-
Net profit/(loss), After Extraordinary Items, as restated	**1,387.91**	**934.07**	**807.55**	**368.35**	**70.98**
Profit/(loss) at the beginning of the period	1,901.71	1,246.94	665.68	377.92	355.30
Balance available for appropriation, as restated	**3,289.62**	**2,181.01**	**1,473.23**	**746.27**	**426.28**
Interim Dividend	-	(153.25)	(108.67)	-	-
Proposed Dividend	(87.02)	-	(36.22)	(70.68)	(42.41)
Tax on Dividend	(14.78)	(26.05)	(21.40)	(9.91)	(5.95)
Transfer to general reserve	-	(100.00)	(60.00)	-	-
Total	(101.80)	(279.30)	(226.29)	(80.59)	(48.36)
Balance carried forward, as restated	**3,187.82**	**1,901.71**	**1,246.94**	**665.68**	**377.92**

The above summary statement is to be read with Notes to the restated financial statements and Significant accounting policies as appearing in Annexure IV and IV-A.

CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

	Particulars	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05
A.	**Fixed assets :**					
	Gross block	881.84	837.11	674.48	503.06	441.92
	Less: Accumulated Depreciation	(566.63)	(603.37)	(477.58)	(360.49)	(327.51)
	Net block	315.21	233.74	196.90	142.57	114.41
	Capital work-in-progress including capital advances	19.67	48.00	24.44	134.76	-
		334.88	**281.74**	**221.34**	**277.33**	**114.41**
B.	**Deferred tax assets**	62.27	34.07	13.27	8.74	5.07
C.	**Current assets, Loans and Advances :**					
	Sundry debtors	2,385.69	2,037.00	1,864.29	984.97	598.03
	Cash and bank balances	2,655.97	1,472.47	765.64	473.58	583.99
	Loans and advances	941.34	664.88	279.13	324.69	207.99
	Other current assets	20.37	25.50	0.96	57.51	2.47
	Total	**6,003.37**	**4,199.85**	**2,910.02**	**1,840.75**	**1,392.48**
D.	**Liabilities and provisions**					
	Secured loans	-	-	-	1.11	6.37
	Unsecured loans	-	-	-	-	-
	Current liabilities and provisions	1,710.94	1,225.81	819.83	598.43	259.88
	Deferred tax liability (net)	-	-	-	-	-
	Total	**1,710.94**	**1,225.81**	**819.83**	**599.54**	**266.25**
E.	**Networth (A+B+C-D)**	**4,689.58**	**3,289.85**	**2,324.80**	**1,527.28**	**1,245.71**
	Represented by					
F.	Share capital	870.16	766.27	724.46	706.77	706.77
G.	**Reserves and surplus**					
	General reserve	220.72	212.97	142.22	82.22	82.22
	Share Premium account	91.08	91.97	-	-	-
	Accumulated profit	3,507.62	2,160.51	1,458.12	738.29	456.72
	Total	**3,819.42**	**2,465.45**	**1,600.34**	**820.51**	**538.94**
H.	Employees Stock Options Outstanding	-	58.13	-	-	-
I.	**Networth (F+G+H)**	**4,689.58**	**3,289.85**	**2,324.80**	**1,527.28**	**1,245.71**

Note : The above consolidated summary statement is to be read with Notes to restated financial statements and significant accounting policies as appearing in Annexure IV & the summary of adjustments as given in Annexure IV – A.

CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. In Lakhs)

Particular	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
INCOME					
Sale of services					
Within India	317.89	594.52	241.49	200.60	469.94
Rest of the World	8,891.32	6,828.90	5,607.85	3,468.52	1,703.75
TOTAL	**9,209.21**	**7,423.42**	**5,849.34**	**3,669.12**	**2,173.69**
Other income	357.39	20.57	37.66	18.86	42.32
TOTAL INCOME (A)	**9,566.60**	**7,443.99**	**5,887.00**	**3,687.98**	**2,216.01**
EXPENDITURE					
Employees' remuneration and benefits	5,155.81	4,160.43	3,016.25	2,012.90	963.03
Operating Expenses	1,393.17	1,020.54	882.66	548.11	484.45
Administration expenses	1,048.61	833.37	670.00	574.13	446.14
Selling expenses	181.74	102.75	94.52	54.77	28.80
Financial charges	22.61	7.29	10.98	5.04	16.00
Exchange rate fluctuation loss (net)	-	105.34	-	12.22	23.20
Depreciation	158.51	132.77	176.92	80.11	65.35
TOTAL EXPENDITURE (B)	**7,960.45**	**6,362.49**	**4,851.33**	**3,287.28**	**2,026.97**
Profit before tax (A-B)	1,606.15	1,081.50	1,035.67	400.70	189.04
Provision for taxation					
- Current tax	277.87	172.34	75.41	26.84	32.40
- Deferred tax /(Benefit)	(28.20)	(26.98)	(4.53)	(3.66)	0.44
- Fringe benefit tax	31.72	22.90	18.67	15.36	-
- Minimum Alternate Tax Credit	(124.15)	(68.45)	-	-	-
- Total	157.24	99.81	89.55	38.54	32.84
Net Profit after tax Before Extraordinary Items	**1,448.91**	**981.69**	**946.12**	**362.16**	**156.20**
Extraordinary Items	**-**	**-**	**-**	**-**	**-**
Net Profit after tax After Extraordinary Items(C)	**1,448.91**	**981.69**	**946.12**	**362.16**	**156.20**
Profit/(loss) at the beginning of the period	2,160.51	1,458.12	738.29	456.72	348.87
Balance available for appropriation, as restated	**3,609.42**	**2,439.81**	**1,684.41**	**818.88**	**505.07**
Interim Dividend	-	(153.25)	(108.67)	-	-
Proposed Dividend	(87.02)	-	(36.22)	(70.68)	(42.41)
Tax on Dividend	(14.78)	(26.05)	(21.40)	(9.91)	(5.95)
Transfer to general reserve	-	(100.00)	(60.00)	-	-
Total	(101.80)	(279.30)	(226.29)	(80.59)	(48.35)
Balance carried forward, as restated	**3,507.62**	**2,160.51**	**1,458.12**	**738.29**	**456.72**

Note : The above consolidated statement is to be read with Notes to restated financial statements and significant accounting policies as appearing in Annexure IV & the summary of adjustments as given in Annexure IV – A.

D. GENERAL INFORMATION

The Company was incorporated as Relliant Global Services (India) Private Limited on June 8, 1998 at Bangalore, Karnataka under the Companies Act, 1956 with company registration no. 08/23821. On December 17, 1999, the Company's name was changed to Thinksoft Global Services Private Limited. It became a Public Company pursuant to a special resolution of the shareholders of the Company at an Extra-Ordinary General Meeting held on July 22, 2008 and the word "Private" was deleted from its name. The certificate of incorporation reflecting the new name was issued on August 19, 2008 by the Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands. The Registered Office of the Company was shifted from S-912, Manipal Centre, Dickenson Road, Bangalore – 560 042 to the present address vide Fresh Certificate of Incorporation consequent on change of registered office address issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands dated February 26, 2008

Registered Office

Thinksoft Global Services Limited
Type II, Unit-5, Dr.Vikram Sarabhai Instronics Estate,
Thiruvanmiyur, Chennai - 600 041
Tel: 91 44 4392 3200 Fax: 91 44 4392 3258
E-mail: ipo@thinksoftglobal.com, website: www.thinksoftglobal.com
Contact Person: Ms.Akila.S, Company Secretary & Compliance Officer

Details	Registration/Identification Number
Original Registration Number	08-23821
Company Identification Number	U64202TN1998PLC066604

Address of the Registrar of Companies

The Registrar of Companies, Tamilnadu, Chennai, Andaman & Nicobar Islands
Shastri Bhavan, 26, Haddows Road, Chennai – 600 034.

Board of Directors

The Company is currently managed by the Board of Directors comprising of Six (6) Directors.

The Board comprises of:

S. No	Name of the Director	Designation	Status
1.	Mr. Asvini Kumar A V	Managing Director	Promoter & Executive Director
2.	Mr. C.N.Madhusudan	Director	Independent Director
3.	Mr. K Kumar	Director	Independent Director
4.	Mr. Mohan Parvatikar	Wholetime Director	Promoter & Executive Director
5.	Dr.S.Rajagopalan	Director	Independent Director
6.	Mrs.Vanaja Arvind	Executive Director	Promoter & Executive Director

Brief details of Managing Director and Executive Director

Managing Director

Mr. Asvini Kumar A V aged 55 years, holds a Bachelors of Science degree in Physics (Osmania University) and a PGDM from IIM, Bangalore (1981). He, along with 3 other IIM batch mates co-founded and ran a consulting startup for 2 years (1981-83). This was followed by a 1 year assignment at IIM - Bangalore to help set up and upgrade their student and faculty computing facilities and later by a 5 year stint with PSI Data Systems, as Product Support Manager. He founded Thinksoft with the objective of providing value added IT consulting services, mainly in the areas of requirements testing, documentation and domain consulting. In 1999, he along with two others re-structured Thinksoft as a Private Company to promote the offshore model for software testing.

Executive Director

Ms. Vanaja Arvind – aged 61 years is an M.A. Sociology (University of Madras) and M.S. (University of Pittsburgh). After a stint with a Chennai headquartered NBFC, she co- founded and ran her own software consulting firm for a few years before joining Citibank in 90. During her stinct in Citibank she successfully spearheaded efforts to obtain an SEI CMM level 3 certification. After another brief tenure as the CEO of an Indian ISP, she moved on to IBM Global Services (India) where she held many roles, first as the Head of Quality, then as a key member of its outsourcing team in New Jersey and lastly as their India Country Manager (SMB Services). Ms.Vanaja teamed up with Mr. Asvini and Mr. Mohan to re-structure and re-orient Thinksoft in early 2000.

Wholetime Director

Mr.Mohan Parvatikar aged 52 is a Wholetime Director of the Company. Mr. Mohan graduated from IIT - Delhi and later enrolled at IIM, Bangalore to get his MBA. After working for major Indian financial sector organisations for many years (SBI , ICICI and KSFC) Mohan re-invented himself as a stockbroker on the Bangalore Stock Exchange. He became associated with Thinksoft in late 1999, participating in its re-structuring and fund raising activities and has remained an active and key contributor to its strategic planning dimension.

For details of other Directors of the Board, please see the section titled "Management" on page 131 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Ms. Akila S
Type II, Unit -5, Dr.Vikram Sarabhai Instronics Estate,
Thiruvanmiyur, Chennai - 600 041
Tel No.: 91 44 4392 3200
Fax No.: 91 44 4392 3258
E-mail: ipo@thinksoftglobal.com
Website: www.thinksoftglobal.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

Book Running Lead Manager
Karvy Investor Services Limited
"Karvy House", 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad – 500 034.
Tel : 91 40 23312454 / 2342 8774
Fax : 91 40 2337 4714
E-mail: cmg@karvy.com
Website: www.karvy.com
Contact Person: Mr. M.P. Naidu
SEBI Registration no.MB/INM000008365

Co-Book Running Lead Manager
Chartered Capital and Investment Limited
26, Kamdar Shopping Centre,
Opp. Railway Station,
Vile Parle (East),
Mumbai - 400 057
Tel. : 91 22 2612 1742
Fax : 91 22 2612 1743
Website : www.charteredcapital.net
E-mail: mumbaiccil@gmail.com / mumbai@charteredcapital.net
Contact Person: Mr. Vimlesh Bansal.
SEBI Registration no: MB/INM000004018

Syndicate Members
Karvy Stock Broking Limited
46, Karvy House, Avenue 4,
Street No.1, Banjara Hills,
Hyderabad 500034
Attention: Mr. Vincent
Phone: 91 - 40 23312454
Fax no: 91 – 40 66621474

Self Certified Syndicate Banks
The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in/pmd/scsb.pdf.

Registrar to the Issue
Karvy Computershare Private Limited
Cyber Villa, Plot No.17-24, Vittalrao Nagar,
Madhapur,
Hyderabad – 500 081, India
Tel : 91 40 2342 0815
Fax : 91 40 2343 1551
E-mail:einward.ris@karvy.com
Website: www.kcpl.karvy.com
Contact Person: Mr. M Muralikrishna
SEBI Registration No: INR/000000221

Legal Advisors to the Issue
ALMT Legal
Advocates & Solicitors
2 Lavelle Road
Bangalore – 560001
Karnataka, India
Tel : 91 80 40160000
Fax : 91 80 40160001
E-mail:dmenon@almtlegal.com
Contact Person: Ms. Dhanya Menon

Auditors
M/s. PKF Sridhar & Santhanam
Chartered Accountants
No.98, A-IV Floor
Dr.Radhakrishnan Salai
Mylapore
Chennai – 600 004, India
Tel : 91 44 28478701/02
Fax : 91 44 28478705

Banker(s) to the Company
The Lakshmi Vilas Bank Ltd
70, Cathedral Road,
Chennai – 600086
Tel : 91 44 28112266
Fax : 91 44 28111316
E-mail:cathedral_bm@lvbank.in
Website: www.lvbank.com

ICICI Bank Limited
7, Bazullah Road
T.Nagar, Chennai – 600 017
Tel : 91 44 42606510
Fax : 91 44 28156784
E-mail:corporatecare@icicibank.com
Website: www.icicibank.com

Citi Bank NA
Commercial Banking Group
Ground Floor,
2, Club House Road,
Chennai – 600 002
Tel : 91 44 28461151
Fax :91 44 28460054
E-mail:citiservice@citi.com
Website:www.citi.com

IPO Grading Agency
ICRA Limited
Karumuthu Centre
5th Floor 634, Anna Salai
Nandanam, Chennai 600 035

Tel : 91 44 2434 0043/8080/9659
Fax : 91 44 2434 3663
Contact Person: Mr. Jayanta Chatterjee
Email: jayantac@icraindia.in
Website: www.icra.in

Banker (s) to the Issue and Escrow Collection Bank

HDFC Bank Limited
IThink Techno Campus,
Office Floor 3, Opposite Crompton Greaves,
Next to Kanjurmarg Railway Station,
Kanjurmarg (E)
Mumbai – 400 042
Tel. no.: +91 - 22 - 30752928
Fax no.: +91 - 22 - 25799801
Website: www.hdfcbank.com
Email: Deepak.rane@hdfcbank.com
Contact Person: Mr. Deepak Rane

ICICI Bank Limited
Capital Market Division
30, Mumbai Samachar Marg,
Fort, Mumbai – 400 013.
Tel. no.: +91 - 22 - 30437000
Fax no.: +91 - 22 - 30437275
Website: www.icicibank.com
Email: venkataraghavan.t@icicibank.com
Contact Person: Mr. Venkataraghavan T A

Standard Chartered Bank
270, D.N. Road, Fort,
Mumbai – 400 001.
Tel. no.: +91 - 22 – 22683955
Fax no.: +91 - 22 - 22092216
Website: www.standardchartered.co.in
Email:Joseph.George@in.standardchartered.com
Contact Person: Mr.Joseph George

Refund Banker

HDFC Bank Limited
IThink Techno Campus,
Office Floor 3, Opposite Crompton Greaves,
Next to Kanjurmarg Railway Station,
Kanjurmarg (E)
Mumbai – 400 042
Tel. no.: +91 - 22 - 30752928
Fax no.: +91 - 22 - 25799801
Website: www.hdfcbank.com
Email: Deepak.rane@hdfcbank.com
Contact Person: Mr. Deepak Rane

Credit Rating

As the Issue is of equity shares, a credit rating is not required.

IPO Grading

The Company has appointed ICRA Limited for IPO grading. ICRA has assigned a "IPO Grade 2" to the proposed Initial Public Offering-cum Offer for Sale of the Company. "IPO Grade 2" indicates below average fundamentals. ICRA assigns IPO grades on a scale of Grade 5 to 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. ICRA has assigned the grade vide their letter dated, August 17, 2009.

IPO Grading rationale

ICRA has assigned IPO Grade 2, indicating below-average fundamentals, to the proposed public issue by Thinksoft Global Services Limited ("Thinksoft" / "the Company"). ICRA assigns IPO grading on a scale of IPO Grade 5 through IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

Thinksoft is a software testing company. Independent software testing business enjoys favourable prospects over the long term by virtue of its growing acceptance among users. The Company has a reasonably diversified geographical presence, though its business concentration in Europe remained significant at 54 per cent of revenues in 2008-09. The Company has recorded healthy growth in revenues during the period 2004-09, albeit on a small base. The financial profile is characterized by sound profitability and debt-free capital structure.

Thinksoft's relatively modest size of operations limits economies of scale and accentuates challenges like securing large orders and managing attrition. Thinksoft operates only in the Banking, Financial Services and Insurance (BFSI) vertical, implying high concentration on a single domain. Also, the BFSI segment has been adversely affected by the current global economic slowdown. The expected reduction in IT spend in the BFSI segment is likely to impact Thinksoft's business over the short-to-medium term. During 2008-09, contribution to revenues from the largest customer was 26 per cent while 93 per cent of revenues were from the top 10 customers, indicating high level of customer concentration. Such high domain and client concentration heightens the impact of any order volatility on revenue growth. Going forward, slowdown in the BFSI segment in developed economies, intense competition and vulnerability to rupee appreciation against major currencies are key challenges to sustaining growth and margin.

The Company proposes a public issue of 3.65 million equity shares, comprising fresh issue of 1.35 million equity shares and offer for sale of 2.30 million equity shares by certain existing investors. The Company enjoys tax holiday on its export earnings till the financial year 2009-10. Thinksoft intends to set up a delivery centre in a Special Economic Zone (SEZ). The cost of setting up the unit is estimated at Rs.160.9 million, which is expected to be financed through the fresh issue of equity. Setting up of the unit in SEZ would bestow tax benefits to Thinksoft.

Trustees

As the Issue is of equity shares, the appointment of Trustees is not required.

Appraisal of the Project

No bank or financial institution has appraised the expansion plans of the Company. The funds requirement has been estimated by the management of the Company.

Monitoring Agency

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI Guidelines. The Audit Committee of the Company will monitor the use of the proceeds of the Issue.

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLMS

The responsibilities and co-ordination roles for various activities in the IPO have been distributed between Karvy Investor Services Limited ('Karvy'), Book Running Lead Manager and Chartered Capital and Investment Limited (`CCIL`) , Co-Book Running Lead Manager is as under:

Sl. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	Karvy	Karvy
2.	Due diligence of the company's operations / management / business plans /legal etc.	Karvy	Karvy
3.	Drafting & Design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. The designated BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchanges, Registrar of Companies and SEBI	Karvy	Karvy
4.	Selection of various agencies connected with the Issue including Registrar, Printers, Advertising Agency, Banker to the Issue, Refund Bankers etc.	Karvy	Karvy
5.	Company positioning and pre-marketing exercise, finalise media public relation strategy, drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, broucher, etc.	Karvy	Karvy
6.	Qualified Institutional Bidder (QIBs) Category: Finalising the list and division of investors for one-to-one meetings, Co-ordinating institutional investor meetings, institutional allocation and finalizing pricing decision.	Karvy & CCIL	Karvy
7.	Non Institutional and Retail Marketing of the Issue, which will cover inter alia: • Formulating marketing strategy • Preparation of publicity budget • Arrange and finalise Ad-Media and Public Relation strategy • Arrange and Finalise centers for holding conferences for brokers,	Karvy & CCIL	Karvy

	Investors, high net worth investors press, etc. • Arrange for selection of (i) bankers to issue, (ii) collection centres (iii) brokers to issue and (iv) underwriters and the underwriting arrangement. • Follow-up on distribution of publicity and issue material including bid cum application form, prospectus and deciding on the quantum of the issue material		
8.	Appointment of Syndicate Members	Karvy	Karvy
9.	Running the Book, interaction & co-ordination with Stock Exchanges for book-building terminals and mock trading	Karvy	Karvy
10.	Finalizing of Prospectus and RoC Filing etc.	Karvy	Karvy
11.	The post bidding activities including, management of escrow accounts, co-ordinate non-institutional allocation, intimation of allocation, dispatch of refund orders to Bidders etc.	CCIL	CCIL
12.	The Post Issue activities of the Issue will involve essential follow up steps, which include finalisation of listing of Equity Shares, finalization of basis of allotment including weeding out of multiple applications and dispatch of allotment advice and refund orders, with the various agencies connected with the work such as the Registrars to the issue, Bankers to the Issue, Self Certified Syndicate Bankers and bank handling refund business.	CCIL	CCIL

Even if some of these activities will be handled by other intermediaries, the BRLMs, shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Book Building Process

Book building refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date/Issue Closing Date.

The principal parties involved in the Book Building Process are:

- The Company;
- Selling Shareholders;
- Book Running Lead Managers;

- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLM;
- Escrow Collection Bank(s)/ Refund Bank; and
- Registrar to the Issue.

The SEBI Guidelines have permitted an issue of securities to the public through the 100% Book Building Process, wherein upto 50% of the Issue shall be allocated on a proportionate basis to QIBs out of which up to 5% shall be available for allocation on a proportionate basis to Mutual Funds and the balance to all QIBs including Mutual Funds. Further, not less than 15% of the Issue shall be available for allotment on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

The Company and Selling Shareholders will comply with the SEBI Guidelines for this Issue. In this regard, the Company and the Selling Shareholders have appointed the BRLMs to manage the Issue and to procure subscriptions to the Issue.

QIB Bidders are not allowed to withdraw their Bid(s) after the Bid Closing Date/Issue Closing Date and for further details see the section titled "Terms of The Issue" on page 305 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs.24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding, see the section titled "Issue Procedure - Who Can Bid?" beginning on page 325 of this Red Herring Prospectus;
- Ensure that the Bidder has a demat account and the demat details are correctly mentioned in the Bid cum Application Form
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.
- Each of the bidders should hold a valid Permanent Account Number allotted under the IT Act and mention his/her Permanent Account number in the application form while bidding for this Issue. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
- Bids by QIBs will have to be submitted only to the BRLMs.

Withdrawal of this Issue

The Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime including after the Bid/ Issue Opening Date but before the Allotment of Equity Shares without assigning any reason thereof. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/ Issue Closing Date.

BID/ ISSUE PROGRAMME

Bidding Period/ Issue Period

BID/ ISSUE OPENS ON	Tuesday September 22, 2009
BID/ ISSUE CLOSES ON	Thursday September 24, 2009

The Company may consider participation by Anchor Investor in terms of the SEBI Guidelines. The Anchor Investor Bid/Issue period shall be one day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/ Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till

(i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and;

(ii) 5.00 p.m. till such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on working days i.e. Monday to Friday (excluding any public holiday).

The Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price Band. The floor of the Price Band can be revised up or down up to the extent of 20% of the floor of the Price Band as disclosed by way of an advertisement published at least 2 (two) days prior to the Issue Opening Date.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, the Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein. The Underwriting Agreement is dated [●].

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been partly left blank intentionally and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. lakhs)
Karvy Investor Services Limited 46, Avenue-4, Street No.1 Banjara Hills Hyderabad – 500 034	**33,00,000**	[•]
Chartered Capital and Investment Limited 26, Kamdar Shopping Centre, Opp. Railway Station, Vile Parle (East), Mumbai - 400 057	**3,00,000**	[•]
Karvy Stock Broking Limited 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034	**46,000**	[•]
TOTAL	**36,46,000**	

The above-mentioned amount is indicative underwriting and this would be finalized after pricing.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with one or more of the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board, vide Board Meeting Dated [●] and the Selling Shareholders has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure/subscribe to the extent of the defaulted amount. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them, provided, however, it is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations.

E. CAPITAL STRUCTURE

The share capital structure of the Company as at the date of filing of the Red Herring Prospectus with SEBI is set forth below:

(Rs. in lakhs, except share data)

	Particulars	Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED**		
	1,20,00,000 Equity Shares of Rs.10/- each	1200.00	1200.00
B)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL PRIOR TO THE ISSUE**		
	87,01,581 Equity Shares of Rs.10/- each	870.16	
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	36,46,000 Equity Shares of Rs.10/- each at a premium of Rs. [●]/- each	364.60	[●]
	Which Comprises:		
	• Fresh Issue of up to 13,50,000 Equity Shares of Rs.10/-each	135.00	[●]
	• Offer for Sale up to 22,96,000 Equity Shares of Rs.10/- each	229.60	[●]
D)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY CAPITAL AFTER THE ISSUE**		
	1,00,51,581 Equity Shares of Rs.10/- each.	1005.16	
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue		91.08
	After the Issue		[●]

Notes to Capital Structure

1. **Changes in the Authorized Share Capital of the Company since Incorporation**

The details of increase in the authorized share capital of the Company after the date of incorporation till filing of this Red Herring Prospectus with SEBI are as follows:

Sl. No.	Date of passing of the resolution	From	To
1	July 8, 1998 (on Incorporation)	Rs.50,00,000	
2	April 19, 2001	Rs. 50,00,000	Rs. 8,00,00,000
3	January 07, 2008	Rs. 8,00,00,000	Rs. 12,00,00,000

Offer for Sale by Selling Shareholders:

The issue comprises an Offer for Sale of 22,96,000 Equity shares by Euro Indo Investments and Mr.Vinod Ganjoor in proportion of 22,34,500 equity shares and 61,500 equity shares respectively. The Equity Shares constituting the Offer for Sale have been held by the Selling Shareholders for a period more than one year as on the date of filing of the Red Herring Prospectus with SEBI and hence are eligible for being offered for sale in the Issue.

The Board of Directors of Euro Indo Investments one of the Selling Shareholder by way of their resolution dated September 20, 2008 has authorized transfer of 22,34,500 Equity Shares pursuant to the Offer for Sale. Mr. Vinod Ganjoor vide his letter dated September 25, 2008 has authorized transfer of 61,500 equity shares pursuant to the Offer for Sale.

The Company has sought approval from RBI vide letter date January 16, 2009 for the transfer of Equity Shares forming part of Offer for Sale in the Issue as the Selling Shareholders are non-residents. RBI vide its letter dated March 12, 2009 has drawn the attention of the Company to the general permission available under AP(DIR Series) Circular No.16 dated October 04, 2004.

The following table reflects the history of the acquisition of share capital in the Company by the offeres viz., EII & Mr.Vinod Ganjoor:-

Name of the Offeror	Date of Allotment	No. of Shares	Conside ration	Issue price/ transfe r price (Rs.)	% of Post Issue Paid up Capital
Euro Indo Investments	16.06.2000	25,000	Cash	712.50	0.25
	24.03.2001	29,500	Cash	1100.00	0.29
	30.07.2001	21,80,000	Bonus	--	21.69
	17.09.2008	2,48,278	Bonus	--	2.47
(A)		**24,82,778**			**24.70**

Mr. Vinod Ganjoor	03.08.2000	1,250	Cash	712.50	0.01
	14.03.2001	250	Cash	712.50	Negligible
	30.07.2001	60,000	Bonus	--	0.60
	17.09.2008	6,833	Bonus	--	0.07
(B)		**68,333**			**0.68**
Total (A+B)		**25,51,111**			

2. **Share Capital History**

Date of Allotment	No. of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Cumulative share capital (Rs. In lakhs)	Nature of Consideration	Reason for allotment	Cumulative share premium (Rs. In lakhs)
08/07/1998	200	10	10	0.02	Cash	Subscription to Memorandum	Nil
26/03/2000	1,10,000	10	10	11.02	Cash	Allotment to Promoters, Promoter Group & Others	Nil
16/06/2000	25,000	10	712.50	13.52	Cash	Allotment to Others	175.63
03/08/2000	6,000	10	712.50	14.12	Cash	Allotment to Others	217.78
14/03/2001	1,143	10	712.50	14.23	Cash	Allotment to Others	225.81
24/03/2001	30,000	10	1100	17.23	Cash	Allotment to Others	552.81
30/07/2001	68,93,720	10	NA	706.61	Bonus	Bonus Issue 40:1	Nil
08/04/2003	1,620	10	10	706.77	Cash	Exercise of stock options	Nil
19/10/2006	1,76,962	10	10	724.46	Cash	Allotment to Promoter	Nil
18/12/2007	4,18,058	10	32	766.27	Cash	Allotment to Promoter Group	91.97
12/09/2008	6,220	10	10	766.89	Cash	Exercise of stock options	91.97
12/09/2008	1,62,500	10	32	783.14	Cash	Exercise of stock options	127.72
12/09/2008						Transfer from Employee Stock Options exercised	178.10
17/09/2008	8,70,156	10	NA	870.16	Bonus	Bonus Issue 1:9	91.08
17/09/2008	2	10	42.50	870.16	Cash	Fractional shares under Bonus Issue of 1:9	91.08

The detailed calculation for the bonus shares out of the profits & Share premium of the Company as under:-

Calculation for Bonus Shares:	**(Rs. In lakhs)**
I. Bonus Issued on 30th July 2001	
Opening Balance in Share Premium Account as on March 31, 2001	552.80
Profit available for appropriation as on March 31, 2001	327.55
Bonus Shares Issued July 30, 2001 6,893,720 equity shares	**689.37**
Comprising of :	
Balance in Share Premium Account capitalized for issue of Bonus Shares	552.80
Profit available for appropriation capitalized for issue of Bonus Shares	136.57
II. Bonus Issued on 17th September 2008	
Opening Balance in Share Premium Account as on March 31, 2008	91.97
Add: Share Premium accumulated as on September 15, 2008	35.75
Balance available in Share Premium Account as on September 15, 2008	127.72
Bonus Shares Issued September 17, 2008 8,70,156 equity Shares	**87.02**
Comprising of :	
Balance in Share Premium Account capitalized for issue of Bonus Shares	Rs. 87.02

3. The following is the history of the Equity Share Capital held by promoters and promoter group upto the date of this Red Herring Prospectus.

Three years lock in

Name of Promoters	Date of Allotment	No. of Shares	Consideration	Issue price/transfer price (Rs.)	% of Post Issue Paid up Capital	Lock in Period (years)
Mr. Asvini Kumar A V	30/07/2001	11,57,103	Bonus	-	11.51	3 years
	17/09/2008	3,59,218	Bonus	-	3.57	3 years
(A)		**15,16,321**			**15.08**	
Ms. Vanaja Arvind	30/07/2001	2,00,259	Bonus	-	1.99	3 years
	20/10/2005	1,080	Cash (Transfer)	25	0.01	3 years
	19/10/2006	1,76,962	Further Issue of shares	10	1.76	3 years
	17/09/2008	59,042	Bonus	-	0.59	3 years
(B)		**4,37,343**			**4.35**	
Mr. Mohan Parvatikar	30/07/2001	50,844	Bonus	-	0.51	3 years
	17/09/2008	6,492	Bonus	-	0.06	3 years
(C)		**57,336**			**0.57**	
Total (A + B + C)		**20,11,000**			**20.00**	

One year lock in

Name of Promoters	Date of Allotment	No. of Shares	Consideration	Issue price/ transfer price (Rs.)	% of Post Issue Paid up Capital	Lock in Period (years)
Mr. Asvini Kumar A V	08/07/1998	100	Cash	10	0.01	1 year
	26/03/2000	89,841	Cash	10	0.89	N.A. as these shares were sold on 23/05/2001 & 23/7/2003
	23/05/2001	(2,468)	Cash (Transfer)	10	(0.02)	N.A.

Name of Promoters	Date of Allotment	No. of Shares	Consideration	Issue price/ transfer price (Rs.)	% of Post Issue Paid up Capital	Lock in Period (years)
	30/07/2001	23,41,817	Bonus	-	23.30	1 year
	23/07/2003	(3,53,430)	Cash (Transfer)	10	(3.52)	Not applicable
	20/10/2008	50,596	Cash (Transfer)	29	0.50	1 year
		21,26,456			**21.16**	
Ms. Vanaja Arvind	26/03/2000	7,062	Cash	10	0.07	1 year
	23/05/2001	1,556	Cash (Transfer)	10	0.02	1 year
	30/07/2001	1,44,461	Bonus	-	1.44	1 year
	20/10/2008	67,540	Cash (Transfer)	29	0.67	1 year
		2,20,619			**2.20**	
Ms.Vanaja Arvind & Ms.Aarti Arvind	23/07/2003	3,53,430	Cash (Transfer)	10	3.52	1 year
	17/09/2008	39,270	Bonus	**-**	0.39	1 year
		3,92,700			**3.91**	
Mr. Mohan Parvatikar	26/03/2000	500	Cash	10	0.01	1 year
	23/05/2001	912	Cash (Transfer)	10	0.01	1 year
	30/07/2001	5,636	Bonus	-	0.06	1 year
	16/03/2006	540	Cash (Transfer)	25	0.01	1 year
	20/10/2008	72,818	Cash (Transfer)	29	0.72	1 year
	12/01/2009	1,111	Cash (Transfer)	30	0.01	1year
		81,517			**0.82**	

The lock-in period for above mentioned shares will commence from the date of allotment of the shares in the present public issue.

Written consents have been obtained from the persons whose shares form part of promoter contribution and are subject to lock in period.

Promoter Group Shareholding

Name of Promoters	Date of Allotment	Consideration	No. of Shares	Issue price/ Transfer price (Rs.)	% of Post Issue Paid up Capital	Lock in Period (years)
Ms. A K Latha	08/07/1998	Cash	100	10	Negligible	1 year
	26/03/2000	Cash	5,000	10	0.05	1 year
	30/07/2001	Bonus	2,04,000	NA	2.03	1 year
	23/07/2003	Transmission	10,250	NA	0.10	1 year
	17/09/2008	Bonus	24,372	NA	0.24	1 year
			2,43,722		**2.42**	
Mr. A K Krishna	26/03/2000	Cash	5,000	10	0.05	1 year
	30/07/2001	Bonus	2,00,000	NA	1.99	1 year
	17/09/2008	Bonus	22,778	NA	0.23	1 year
			2,27,778		**2.27**	
Ms. V Lalita Devi	26/03/2000	Cash	250	10	Negligible	1 year
	30/07/2001	Bonus	10,000	NA	0.10	1 year
	17/09/2008	Bonus	1,139	NA	0.01	1 year
			11,389		**0.11**	
Ms. Aarti Arvind	15/09/2008	Cash (Transfer)	30,000	42.55	0.30	1 year
	17/09/2008	Bonus	3,333	NA	0.03	1 year
			33,333		**0.33**	
M/s. Virtus Advisory Services Private Limited	18/12/2007	Cash	4,18,058	32	4.16	--
	15/09/2008	Cash (Transfer)	(1,63,950)	(*)	(1.63)	--
	17/09/2008	Bonus	28,234	NA	0.28	--
	20/10/2008	Cash (Transfer)	(2,82,342)	(**)	(2.81)	
			0.00		**0.00**	
		TOTAL	**5,16,222**		**5.14**	

(*) 1,00,000, 53,950 and 10,000 shares at the consideration of Rs.35, Rs.42.55, and Rs.29 per share respectively.

(**) 24,998, 22,222, 2,07,344 and 27,778 shares at the consideration of Rs.38.30, Rs.42.55, Rs.29 and Rs.38.29 per share respectively.

We confirm that the promoter contribution does not consist of

a) Shares acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
b) Securities issued during the preceding one year, at a price lower than the price at which equity shares are being offered to public.
c) Pledged shares
d) Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
e) Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.
f) Shares issued to promoters on conversion of partnership firms into limited company.
g) Shares with a contribution less than Rs.25,000/- per application from each individual and contribution less than Rs.1,00,000/- from firms and companies.

Details of pre-issue Equity Share Capital locked in for one year

The entire pre-issue capital, other than that locked in as minimum promoter contribution and excluding equity shares forming part of Offer for Sale portion, the entire pre-issue equity share capital of the Company comprising of 43,94,581 Equity Shares of Rs.10/- each shall be locked in for a period of one year from the date of allotment in this Issue.

Other requirements in respect of lock in

In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

Locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that if the securities are locked in as Promoters Contribution, the same may be pledged only if in addition to fulfilling the above conditions, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the instant Issue.

4. Shareholding *pattern*

The table below presents the shareholding pattern before the proposed Issue and as adjusted for the Issue:

Category	Pre Issue Shares	%	Post Issue Shares	%
Promoter				
Mr. A V Asvini Kumar	36,42,777	41.86	36,42,777	36.24
Ms. Vanaja Arvind	10,50,662	12.07	10,50,662	10.45
Mr. Mohan Parvatikar	138,853	1.60	1,38,853	1.38
Sub-total (A)	**48,32,292**	**55.53**	**48,32,292**	**48.07**
Promoter Group				
Ms. A.K.Latha	2,43,722	2.80	2,43,722	2.42
Mr. A.K.Krishna	2,27,778	2.62	2,27,778	2.27
Ms. Lalita Devi	11,389	0.13	11,389	0.11
Ms. Aarti Arvind	33,333	0.38	33,333	0.33
Sub-total (B)	**5,16,222**	**5.93**	**5,16,222**	**5.14**
Total of Promoter and Promoter Group holding [C=A+B]	**53,48,514**	**61.47**	**53,48,514**	**53.21**
Others (D)	**33,53,067**	**38.53**	**10,57,067**	**10.52**
Others constitute the following:				
Euro Indo Investments	24,82,778	28.53	2,48,278	2.47
Mr. Rajeev Misra	2,57,070	2.95	2,57,070	2.56
Mr. D Bharath	77,778	0.89	77,778	0.77
Mr. Vinod Ganjoor	68,333	0.79	6,833	0.07
Ms. Geetha Krishna	64,324	0.74	64,324	0.64
Mr. N.Vaidyanathan	55,556	0.64	55,556	0.55
Mr. N.S.Raghuram	42,596	0.49	42,596	0.42
Mr. Kamal Kumar Bhagi	41,667	0.48	41,667	0.41
Mr. P.Srinath	38,067	0.44	38,067	0.38
Mr. D.Nandkishore	27,778	0.32	27,778	0.28
Ms. R.Satyabhama	27,778	0.32	27,778	0.28
Mr. B.Rajaram	27,778	0.32	27,778	0.28
Mr. Ranjan Misra	27,778	0.32	27,778	0.28
Mr. B.Balakrishna	22,500	0.26	22,500	0.22
Mr. V.Sankaran	11,111	0.13	11,111	0.11
Mr. Chalapathi Rao Peddineni	11,111	0.13	11,111	0.11
Ms. Meera Krishnan	8,344	0.10	8,344	0.08
Mr. R.Venugopal	8,333	0.10	8,333	0.08
Mr. Arun Ramamoorthy	8,333	0.10	8,333	0.08

Mr. P.Sudha Kiran	6,333	0.07	6,333	0.06
Mr. Taral Shah	4,444	0.05	4,444	0.04
Mr. P.Murali	2,222	0.03	2,222	0.02
Mr. Mahadeva Rao	2,222	0.03	2,222	0.02
Mr. V.S.Karthikeyan	2,222	0.03	2,222	0.02
Mr. R.Ramakrishnan	2,222	0.03	2,222	0.02
Mr. V.Pushpavaneswaran	2,222	0.03	2,222	0.02
Mr. N.S.Sreenivasan	2,222	0.03	2,222	0.02
Mr. C.Subramanian	2,222	0.03	2,222	0.02
Mr. Kailash C Chanchalani	2,222	0.03	2,222	0.02
Mr. A.S. Rajesh	2,222	0.03	2,222	0.02
Mr. Murali Krishnamurthy	2,222	0.03	2,222	0.02
Mr. B.Janakiram	2,222	0.03	2,222	0.02
Mr. C.V.Rajan	2,222	0.03	2,222	0.02
Ms. Revathi Ramani	1,389	0.02	1,389	0.01
Mr. K.Kumar	1,000	0.01	1,000	0.01
Dr.S.Rajagopalan	1,000	0.01	1,000	0.01
Kanaka C Narasimha Murthy	1,000	0.01	1,000	0.01
Ms. Kanchanamala K	556	0.01	556	0.01
Ms. Poornima Ramesh	556	0.01	556	0.01
Mr. S.Muthukrishnan	556	0.01	556	0.01
Mr. Uma Shankar	556	0.01	556	0.01
Total pre issue share capital				
(E= C+D)	**87,01,581**	**100.00**	**64,05,581**	**63.73**
Public Issue (F)			**13,50,000**	**13.43**
Offer for Sale (G)			**22,96,000**	**22.84**
Total post-Issue share capital (H=E+F+G)			**1,00,51,581**	**100.00**

5. The list of top ten shareholders and the number of Equity Shares held by them is provided below:

a) The top 10 shareholders as on the date of filing the Red Herring Prospectus with RoC are as under:

S.No.	Name	No. of Shares	Pre-Issue% of Holding	Post-issue % of holding
1	Asvini Kumar A V	36,42,777	41.86	36.24
2	Euro Indo Investments	24,82,778	28.53	24.70
3	Vanaja Arvind	10,50,662	12.07	10.45
4	Rajeev Misra	2,57,070	2.95	2.56
5	A.K.Latha	2,43,722	2.80	2.42
6	A.K.Krishna	2,27,778	2.62	2.27
7	Mohan Parvatikar	1,38,853	1.60	1.38
8	D Bharath	77,778	0.89	0.77
9	Vinod Ganjoor	68,333	0.79	0.68
10	Geetha Krishna	64,324	0.74	0.64

(b) The top 10 shareholders 10 days prior to date of filing the Red Herring Prospectus with RoC:

S. No.	Name	No. of Shares	Pre-Issue% of Holding	Post-issue % of holding
1	Asvini Kumar A V	36,42,777	41.86	36.24
2	Euro Indo Investments	24,82,778	28.53	24.70
3	Vanaja Arvind	10,50,662	12.07	10.45
4	Rajeev Misra	2,57,070	2.95	2.56
5	A.K. Latha	2,43,722	2.80	2.42
6	A.K. Krishna	2,27,778	2.62	2.27
7	Mohan Parvatikar	1,38,853	1.60	1.38
8	D Bharath	77,778	0.89	0.77
9	Vinod Ganjoor	68,333	0.79	0.68
10	Geetha Krishna	64,324	0.74	0.64

(c) The top 10 shareholders as on two years prior to the date of filing the Red Herring Prospectus with RoC are as under:

S. No.	Name	No. of Shares held	Pre-Issue % of Holding	Post-issue % of holding
1	Asvini Kumar A V	32,32,963	44.63	32.16
2	Euro Indo Investments	22,34,500	30.84	22.23
3	Vanaja Arvind	8,84,810	12.21	8.80
4	Rajeev Misra	2,31,363	3.19	2.30
5	A.K. Latha	2,19,350	3.03	2.18
6	A.K. Krishna	2,05,000	2.83	2.04
7	Vinod Ganjoor	61,500	0.85	0.61
8	Mohan Parvatikar	58,432	0.81	0.58
9	Geetha Krishna	57,892	0.80	0.58
10	N S Raghu Ram	38,335	0.53	0.38

6. **Buyback and Standby Agreements**
Neither the Company nor the Directors nor the Promoters nor the Promoters Group Companies, their respective Directors, the BRLMs have entered into any buyback and/or standby arrangements for the purchase of Equity shares from any person.

7. **Over-subscription** – an oversubscription to the extent of 10% of the public issue can be retained for the purpose of rounding off to nearest integer while finalizing the basis of allotment.

8. In the Public Issue, in case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs out of which up to 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds and the balance of the QIB portion to QIBs including Mutual Funds, a minimum of 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and a minimum of 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at the sole discretion of the Company and the Selling Shareholders, in consultation with the BRLMs.

9. There are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into the Equity Shares.

10. As on date there are no partly paid up shares.

11. There has been no equity shares sold or purchased by the Promoters, the Promoter Group and the directors during the period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

12. The Company has not raised any bridge loan against the proceeds of this Issue. For details on use of proceeds, see the section titled "Objects of the Issue" on page 39 of this Red Herring Prospectus.

13. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

14. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner during the period commencing from submission of the Red Herring Prospectus with SEBI until the equity shares offered hereby have been listed.

15. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or otherwise. However, during such period or at a later date, the Company may undertake an issue of shares or securities linked to equity shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by the Board to be in the interest of the Company.

16. There will be only one denomination of the Equity Shares of the Company unless otherwise permitted by law and the Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

17. The Equity Shares offered through the Issue will be fully paid up.

18. The Company has issued Equity Shares in last twelve months, before the date of the Red Herring Prospectus and the price of such issuances may be lower than the Issue Price. The details are as given below:

Name of the allottees	Date of allotment	Number of equity shares	Type of issue	Issue price (Rs.)	Nature of payment of consideration	Whether the allottee is part of promoter/promoter group
Ms. Taral Shah	12/09/2008	10,000	Under ESOP 2007	32	Cash	Employee
Mr. Rajan R	12/09/2008	10,000	Under ESOP 2007	32	Cash	Employee
Ms. Rajalakshmi B	12/09/2008	10,000	Under ESOP 2007	32	Cash	Employee
Ms. Meera Krishnan	12/09/2008	25,000	Under ESOP 2007	32	Cash	Employee
Mr. Srinath P	12/09/2008	25,000	Under ESOP 2007	32	Cash	Employee
Mr. Nand Kishore D	12/09/2008	25,000	Under ESOP 2007	32	Cash	Employee
Mr. Sankaran V	12/09/2008	10,000	Under ESOP 2007	32	Cash	Employee
Ms. Indu	12/09/2008	10,000	Under ESOP	32	Cash	Employee

Padmanabhan			2007			
Mr. Vaidyanathan N	12/09/2008	37,500	Under ESOP 2007	32	Cash	Employee
Mr. Srinath P	12/09/2008	3,060	Under ESOP 2001 & 2002	10	Cash	Employee
Ms. Meera Krishnan	12/09/2008	1,260	Under ESOP 2001 & 2002	10	Cash	Employee
Ms. Sudha Kiran P	12/09/2008	700	Under ESOP 2001 & 2002	10	Cash	Employee
Mr. Sayed Mohamed K T	12/09/2008	1,200	Under ESOP 2001 & 2002	10	Cash	Employee
*Existing Shareholders	17/09/2008	8,70,156	Bonus 1:9	Nil	Nil	Existing Shareholders
Mr. N S Raghuram	17/09/2008	2	Fractional shares under Bonus Issue of 1:9	42.50	Cash	Existing Shareholder

*The Company has issued 8,70,156 Equity Shares by way of a bonus issuance on September 17, 2008 in the ratio of 1:9.

19. The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash, except for the bonus Equity Shares issued out of share premium and free reserves.

20. For names of the natural persons who are in control or who are on the Board of the Directors of the bodies corporate forming part of the Promoter Group please see under "Promoter and Promoter Group Companies" beginning on page 149.

21. The Company has 48 members as of August 31, 2009.

22. Promoter and the members of the Promoter Group will not participate in this Issue.

23. The Company had ESOP 2001 Plan, ESOP 2002 Plan, ESOP 2003 Plan and ESOP 2007 Plan. Options granted under ESOP Plans 2001, 2002 entitle the holder thereof to apply for one equity share of the Company at an exercise price of Rs.10/- per share and options granted under the ESOP scheme 2007 entitle holder thereof to apply for one equity share of the Company at an exercise price of Rs.32/- per share. The Company has allotted shares against all options issued under these ESOP 2001, 2002 and 2007 plans and there are no outstanding options under any of the schemes presently. There were no options outstanding under ESOP 2003 plan. Furthermore all ESOP Schemes of the Company have been terminated.

F. OBJECTS OF THE ISSUE

The Issue consists of a Fresh Issue of 13,50,000 Equity Shares and an Offer for Sale of 22,96,000 Equity Shares by the Selling Shareholders. The Company will not receive any proceeds from the Offer for Sale.

The Company intends to utilise the proceeds of the Fresh Issue, after deducting the share of the underwriting and management fees, selling commissions and other expenses associated with the Issue ("Net Proceeds"), for the following purposes:

(a) To establish new testing centre.

(b) To meet issue expenses and

(c) To get the shares listed on Stock Exchanges.

The main object clause of the Company and objects incidental to the main objects enables the Company to undertake the existing activities and the activities for which funds are being raised through this Issue.

Expenses related to the Issue, including underwriting and management fees, and selling commissions will be borne by the Company and the Selling Shareholders in the ratio of the Equity shares issued by the Company in the fresh issue and the Equity shares being sold by the Selling Shareholders in the Offer for Sale. .

The fund requirement below is based on the current business plan of the Company. In view of the dynamic nature of the industry in which the Company operates, it may have to revise the business plan from time to time and consequently the fund requirement and consequent utilisation of proceeds from the present Issue may also change.

Cost of the Project

(Rs. in lakhs)

Particulars		**Amount**
Setting up of new testing centre		
- Building, Interiors	1373.00	
- Equipment and Networking	166.34	
- Consultancy and approval charges	70.00	1609.34
Public Issue Expenses		[●]
Total		[●]

Means of Finance **(Rs. in lakhs)**

S. No.	**Source of finance**	**Amount**
1	Issue Proceeds	[●]
2	Internal Accruals	[●]
	Total	[●]

The Company has Reserves and surplus of Rs. 3499.62 (unconsolidated) lakhs as on 31.03.2009. The proceeds from the present issue and the cash surplus available with the Company are adequate to meet the objects of the Issue.

We confirm that the firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through this issue have been made.

In case of any variations in the actual utilisation of funds earmarked for the above activities, any increased fund deployment for a particular activity will be met from the internal accruals.

In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilised for General Corporate Purposes.

Appraisal
The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

Details of the cost of the proposed project

A. Setting-up of New Testing Centre
The Company presently has its off shore facilities at Chennai with a capacity of around 360 seats. The delivery unit is registered with STPI. The Company is growing at a steady pace during the last four years and poised for continued growth.

The Company has plans to increase its market presence in Europe, Middle East and USA. The customers of the Company are amongst the TopTier in the Financial Services Sector, look for exclusive secure dedicated testing centre for off-shoring their business testing requirements. Therefore there is a constant need to upgrade the infrastructure facilities, to meet the growing standards of the client's needs and requirements.

The Company is proposing to expand it's off shore facilities by adding additional capacity of another 400 seats. This is proposed to be established in the Madras Export Processing Zone, Tambaram, Chennai, in a building constructed exclusively to house the testing center. As it is located within the Export processing zone it has the inherent advantages of being inside a Special Economic Zone (SEZ). This would enable certain statutory benefits to the company under the present regulations.

In addition, Chennai is a good source for availability and supply of skilled resources for off-shore testing jobs.

Further the existing units are in Leased premises and therefore having own premises may have cost saving over the years.

For the above mentioned reasons, it is proposed to locate the Project in MEPZ Chennai and majority of the proceeds of the Fresh Issue are proposed to be utilised for creating new facility.

The Company has obtained allotment of Plot no.B-17 admeasuring 4043 square meter situated at Phase-II, Second Main Road, MEPZ-SEZ, Chennai from Asst Development Commissioner, MEPZ-Special Economic Zone, Ministry of Commerce and Industry, Government of India, Chennai, Tamilnadu – 600 045 vide their letter Ref. no. 2/LA/283/2008-E.M dated November 11, 2008 for undertaking Software Testing and Allied Services. The Company has vide letter dated November 12, 2008 conveyed to the Development Commissioner, MEPZ, SEZ its unconditional acceptance of the allotment order.

The Company has entered into licence-cum-Agreement to lease on January 22, 2009 with Development Commissioner & the said document was duly registered under registration no.1347/09 on March 12, 2009 & recorded in Book I.

The Company was issued the Letter of Approval bearing Ref. No. 8/119/2008/SEZ dated December 11, 2007 for setting up a unit in MEPZ Special Economic Zone ('MEPZ-SEZ'), which expired on December 10, 2008. The same has been extended for another six (6) months from December 11, 2008 to June 10, 2009 as evidenced by the extension letter bearing Ref. No. 8/119/2008/SEZ dated December 16, 2008 issued by the Assistant Development Commissioner, MPEZ-SEZ to the Company. The Company has received letter of extension bearing no.8/119/2008/SEZ dated May 27, 2009 for a period of six (6) months from June 11, 2009 to December 10 2009 issued by the Assistant Development Commissioner, MPEZ-SEZ.

Details of the major operational components of the above cost are provided below:-

i. Building and structural work

The total cost of Building and Structural and Interiors and Furniture at Rs. 1373.00 Lakhs is as per the estimate dated 27th January, 2009 given by S.K.Ramesh Mani, Buildmech Consultants, Chartered Engineer, Chennai bearing membership number M-121628-I for construction of effective plinth area of 40,050 sq. ft. or about 53,400 sq. ft. area including stilt floor. M/s. Buildmech Consultants, Chartered Engineers, are engaged in consulting and engineering with interests in architecture, valuation, quantity surveying, land surveying, plumbing consultation and real estate development.

Sl. No	Description	Approximate rate per 1 Sq. ft.	Amount (Rs. In lakhs)	
1	**STRUCTURE WORKS:**			
1.1	Excavation	18/-	7.21	
1.2	Foundation (Formwork & Concrete)	65/-	26.03	
1.3	Structure (Formwork & Concrete)	240/-	96.12	
1.4	Steel	230/-	92.11	
1.5	Masonry	50/-	20.03	
	Sub Total			**241.50**
2	**FINISHING WORKS:**			
2.1	Internal Plastering	15/-	6.01	
2.2	External Plastering	11/-	4.41	
2.3	Flooring (vitrified / ceramic & Toilet flooring / dadooing & kitchen counters)	11/-	4.41	
2.4	Lobby flooring & dadooing, Granite/Vitrified tiles	70/-	28.03	

	Staircase tread/riser/landing works/Granite/Kota stones			
2.5	Granolitie flooring	25/-	10.01	
2.6	Elevation treatments	40/-	16.02	
2.7	Security Grills , Staircase Railings, shutter,& gate	10/-	4.00	
	Sub Total	182/-		**72.89**
3	**DOORS & WINDOWS**			
3.1	Providing, storing & fixing - Wood Work - Door Frames & Hardware, Toilet & Fire doors.	15/-	6.00	
3.2	Aluminium Works / UPVC	45/-	18.02	
	Sub Total	60/-		**24.03**
4	**WATER PROOFING WORKS**			
4.1	Toilet Water Proofing	3/-	1.20	
4.2	Roof / Terrace waterproofing	10/-	4.00	
	Sub Total	13/-		**5.20**
5	**PAINTING WORKS**			
5.1	Painting	20/-	8.01	
	Sub Total	20/-		**8.01**
6	**MISCELLANEOUS WORKS**			
6.1	Internal Signage's	2/-	0.80	
	Sub Total	2/-		**0.80**
7	**ELECTRICAL WORKS**			
7.1	Internal LT Works	60/-	24.03	
7.2	External HT works	65/-	26.03	
7.3	Supply and Installation of LT panels	50/-	20.03	
7.4	Equipments & wiring for Telephone & TV system	1/-	0.40	
7.5	Generator with AMF panel	140/-	56.07	
7.6	Deposit & Supervision charges	15/-	6.00	
	Sub Total	331/-		**132.56**
8	**PLUMBING &**			

	SANITATION WORKS :			
8.1	Plumbing	55/-	22.03	
8.2	External Sewerage Works	3/-	1.20	
8.3	Domestic sewage treatment plant	10/-	4.00	
	Sub Total	68/-		**27.23**
9	**FIRE FIGHTING WORKS:**	73/-	29.24	**29.24**
10	**LIFT INSTALLATIONS**	150/-	60.08	**60.08**
11	**DEVELOPMENT WORKS**			
12.1	External Development Works	15/-	6.01	
12.2	Landscape	10/-	4.00	
12.3	Pavements	20/-	8.01	
	Sub Total	45/-		**18.02**
12	**OTHER WORKS:**			
12.1	Consultancy Expenses	75/-	30.04	
12.2	Plan approval charges and other Government related expenses	50/-	20.02	
	Sub Total	125/-		**50.06**
13	**HVAC WORKS**			
		205/-	82.10	**82.10**
14	**INTERIORS**			
14.1	Flooring / Cladding - Carpet tiles from interface entropy range or equivalent Italian Marble in reception, Granite/ Tiles in toilets	150/-	60.08	
14.2	Ceiling - Grid ceiling from armstrong Prima dune or equivalent with 0.6 NRC. Veneer / Solation double layer MF ceiling in reception / café etc. &) 9 NRC in select areas.	80/-	32.04	
14.3	Partition & Panelling - Veneered in reception & board room / glazed / laminated partitions. With Glass wool insulation	125/-	50.06	
14.4	Doors & Windows - Veneered / laminated / Toughened with patch fittings for main entrance	40/-	16.02	

14.5	Storage Cabinets – laminated	20/-	8.01	
14.6	Finishing - ICI / Berger, veneer to have melamine/ PU finish.	30/-	12.02	
14.7	Furniture - Loose furniture for office & café – customised.	20/-	8.01	
14.8	CIVIL WORK – Brick work, plastering PCC to cover raceways, water proofing etc.	20/-	8.01	
14.9	Miscellaneous - Aluminium perforated / roller Blinds	25/-	10.01	
14.10	Steel Works - SS signages and jambs, dustbin	10/-	4.00	
	Sub total	**520/-**		**208.26**
15	**MODULAR WORK STATIONS**	250/-	100.13	**100.13**
16	**LOOSE FURNITURES**	30/-	12.02	**12.02**
17	**CHAIRS**	85/-	34.04	**34.04**
18	**ELECTRICAL WORKS -** Interiors, fittings, Network cables, Data Cables, Access control wiring etc	225/-	90.11	**90.11**
19	**SPRINKLERS**	45/-	18.02	**18.02**
20	**Fire Alarm System & Access Control Devices**	45/-	18.02	**18.02**
21	**PUBLIC ADDRESS SYSTEM**	20/-	8.01	**8.01**
22	**CARPET**	80/-	32.04	**32.04**
23	**INTERNAL AIRCONDITIONING**	200/-	80.10	**80.10**
24	**CONTINGENCIES**	50/-	20.03	**20.03**
	TOTAL	**3,427/-**		**1372.50**
	Say			**1373.00**

Neither Buildmech Consultants, Chartered engineers, nor any of its employees are related to the Promoters/Directors of the Company.

ii. Equipments & Networking etc.

The workspace would be properly supported by required specification of Computer equipments, Software networking communications and other equipments. Quotations have been obtained from various suppliers and the total cost will be around Rs. 166.34 lakhs as detailed below:-

Indigenous Equipments

Description	Date of Quotation	Supplier	No of Units	Cost per Unit	Taxes applicable	Total Cost (Rs)
BACK-UP DEVICES						
LTO 3 Loader	07.10.2008	Softcell Technologies Limited	1	3.25	0.13	3.38
IBM DS3400 SAN Storage	24.10.2008	- Do -	2	6.45	0.26	13.42
42 U open Rack (with all accessories)	16.09.2008	Fourth Dimension Private Limited	4	0.43	0.01	1.77
HP LaserJet P3005n Printer – Specifications	17.10.2008	Black Magic Toners Pvt. Limited	4	0.39	0.01	1.62
Pixord Make 405 Mega Pixel Network Camera	24.10.2008	One View Systems Pvt. Limited	3	0.12		0.37
Team MP (1+3 Multiple Multi Point Call) Video Conferencing.	06.10.2008	PLUS Business Machines Limited	1	4.15	0.22	4.37
Ethernet Routing switch 5500 series with Software License Kits	17.10.2008	Futurecalls Technology Pvt. Limited	1	4.07	0.16	4.23
BES1010-48 Ports 10/100/1000 Base-T Ethernet Switch.	17.10.2008	Futurecalls Technology Pvt. Limited	10	0.55	0.15	7.00
Support and Implementation charges for Networking Infrastructure	-	-	Lump sum	1.87	0.23	2.10
Access Control System	09.10.2008	Siemens Building Technologies Pvt. Ltd.		12.96	2.08	15.04
Symantec Backup Software	20.09.2008	e-Security Pvt. Limited		6.93	0.28	7.21
Total						**60.51**

*Unit cost per unit is inclusive of applicable taxes.

Imported Equipments:-

Sr. No.	Description of the machinery	Suppliers	Dt. Of Quotation	Nos.	Cost in USD#	Equivalent Cost (Rs. In lakhs)
1.	Mail Servers Power Edge Rack 900	DELL	12.09.2008	2	$15,265	15.27
2	AV and Client Server file Server PDC and Client Server ADC. – Power Edge Energy Smart 2950 III	DELL	12.09.2008	6	$7326	21.97
	Networking Infrastructure					
3	CAT 6 Patch cord – 7 feet, CAT 6 Patch Panel 24-Port, 2U Cable Manager and Quad Face Plate. *Includes installation charges at INR 948 per unit (each unit consists of 6 nos.).	Fourth Dimension Technologies Private Limited	16.09.2008	900	$44.2	21.37
4	ASA 5520 AIP Firewall	Fourth Dimension Technologies Pvt. Ltd.	16.09.2008	2	$22733	22.73
	Voice Communication					
5	Call Manager – One VG224/Phone/Meeting Place expenses	Fourth Dimension Technologies Pvt. Ltd.	16.09.2008	1	$25380	12.69
6	IP Phones	Fourth Dimension Technologies Private Limited	16.09.2008	100	$236	11. 80
	Total					**105.83**

#Assuming 1USD = 50.00 INR
Cost per unit is inclusive of taxes.

Notes:

- The Company is yet to place orders for the above equipment.
- The Company does not intend to purchase any second hand machinery.
- None of the vendors of the plant and machineries are related to the Promoters/Directors of the Company.

Consulting and approval charges – Rs. 70 Lakhs

Consulting charges

The Company has executed the Architecture and Interior Consultancy and Services Agreement dated October 9, 2008 with PADGRO Consultants Pvt. Ltd. ('Consultants') to carry out the work of architectural and interior consultancy and monitoring execution, end to end, at its proposed site at B-17, Phase –II, Second Main Road, MEPZ-SEZ, National Highway – 45, Tambaram, Chennai for a fixed fee of Rs.60,00,000/- plus applicable service taxes, payable on completion of milestones as stipulated in the payment schedule of the agreement. Padgro Consultants Private Limited, is a company engaged in architecture, planning and engineering in India.

The salient features of the agreement are as under:

Scope of Services:

a) Preparing multiple conceptual designs, making approximate estimates of cost and preparing reports on the scheme.
b) Preparing designs and working drawings for civil, structural, mechanical, sanitary and drainage, electrical, interiors, air conditioning, landscaping and other related works.
c) Preparing necessary drawings for the company and also for statutory approvals and to ensure strict compliance with codes, standards and legislations, rules as applicable under various authorities.
d) Periodical inspection of works of the contractors, specialists, consultant, site engineers and project managers among others.

Confidentiality and Intellectual Property Rights

Consultants have to maintain confidentiality of the Confidential Information. Further, the work output produced by the Consultants will not be shared to any Third Party or altered without the written permission of the Consultants.

Term and Termination

The agreement commences on October 9, 2008 and continues upto December 31, 2009 or the date of acceptance of the facility by Thinksoft upon completion of the project, whichever is later. The agreement may be terminated only with the mutual consent of the both the parties. Further, in the event of breach by the Consultants of the agreement or the Consultancy Description and if such breach is capable of rectification and if the same is not rectified within a reasonable time after the breach notice has been sent, the Company may unilaterally terminate the agreement and/or the Consultancy Description by written notice.

Governing law and Jurisdiction

The agreement is governed in accordance with the laws of India and is subject to the jurisdiction of courts at Chennai.

Arbitration

All disputes arising out of the agreement shall be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996 by a sole arbitrator to be mutually appointed by the parties. The venue of the arbitration will be Chennai or any other place as may be mutually agreed by the parties.

Neither Padgro nor any of its officers are related to the Promoters/Directors of the Company.

Approval charges

The Company has earmarked an amount of Rs. 10 lakhs for obtaining the following approvals for the proposed project:

Building related approvals-

1. Licenses/approvals from the concerned municipal authorities and/or local authorities for establishment of the development facility at MEPZ-SEZ including but not limited to building sanction plan; In this regard, an application for seeking sanction for the building plan has been made to the Chennai Metropolitan Development Authority and the same was acknowledged by Chennai Metropolitan Development Authority on December 5, 2008;

2. Sanction from the respective authorities for utilities.

Operation related approvals-

1. Exemptions from customs duty, excise duty and grant of certain tax benefits.

2. Execution of General Bond B-17 and Legal Undertaking in favour of MEPZ-SEZ;

3. Membership Certificate of Export Promotion Council for Export Oriented Units and SEZ units.

4. No objection for constructing building on Plot No. B.17, Phase II from the Joint Development Commissioner, MEPZ Special Economic Zone, Chennai.

   The Company has already obtained the above operational related approvals. For further details please refer, the section "Statutory Licenses/Approvals" on page no. 278 of this Red Herring Prospectus.

B. Public issue expenses

All expenses with respect to the Issue, will be shared between the Company and the Selling Shareholders, who have offered their Equity Shares for sale in the Offer for Sale, on a pro-rata basis in the ratio of the Equity Shares issued by the Company in the Fresh Issue and the Equity Shares being sold by the Selling Shareholders in the Offer for Sale. The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately Rs. **[●]** lakhs of which Rs. **[●]** lakhs will be borne by the Company and Rs. **[●]** lakhs will be borne by the Selling Shareholders. The estimated expenses of the Issue are as follows:

Activity	Amount (Rs. In lakhs)	% of Issue Expenses	% of Issue Size
Fees to Book Running Lead Managers	[●]	[●]	[●]
Fees to Registrar to the Issue	[●]	[●]	[●]
Fees to Legal Advisor to the Issue	[●]	[●]	[●]
Fees to Auditors	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Selling Commission	[●]	[●]	[●]
Escrow Bankers charges	[●]	[●]	[●]
IPO Grading expenses	[●]	[●]	[●]
Printing & Stationery	[●]	[●]	[●]
Advertisement expenses	[●]	[●]	[●]
Other expenses (including filing fees, listing fees, depository charges, IPO grading agency's fees etc.)	[●]	[●]	[●]
Contingencies	[●]	[●]	[●]
Total	[●]	[●]	[●]

Deployment of funds

The details of the sources and deployment of funds as on July 31, 2009 as certified by M/s. PKF Sridhar & Santhanam, Chartered Accountants, Statutory Auditor of the Company vide their certificate dated August 11, 2009 is as follows:

S. NO.	Particulars	Amount (Rs. in lakhs)
1	IPO Expenses	24.55
2	Establishing new testing centre	15.17
	Total	**39.72**

Sources of funds

The above funds have been deployed from the internal accruals generated by the Company.

Schedule of Implementation

S. no.	Activities	Status	Actual Schedule	Revised Schedule
1	Setting-up of New Testing Centre	Yet to Commence	August 31, 2010	March 31, 2011
2	Equipment and Networking, etc	Yet to Place order	August 31, 2010	March 31, 2011

The delay in Schedule of Implementation is on account of non-receipt of approval from the Chennai Metropolitan Development Authority for the building plan.

Year-wise break up of fund utilization

The following is a year wise-break up of the proposed utilization of funds:-

(Rs. in Lakhs)

Sl. No.	Activities	Amount utilized as on 31.07.2009	Amount to be utilised from 01.08.2009 to 31.03.2010	Amount to be utilised from 01.04.2010 to 31.03.2011	Total
1	Setting-up New Testing Centre (inclusive of approval and consultancy charges)	15.17	500.38	927.45	1443.00
2	Equipments and Networking, etc	Nil	Nil	166.34	166.34
3	Public Issue Expenses	24.55	[●]	[●]	[●]
	Total	39.72	[●]	[●]	[●]

Interim use of funds

Pending utilisation for the purposes described above, the Company intends to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. The management, in accordance with the policies established by the Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

Monitoring utilisation of funds

The Board will monitor the utilisation of the Net Proceeds and disclose the details of the utilisation of the Issue proceeds, including interim use, under a separate head in the financial statements, specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of the listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement.

Under the Listing Agreement, the Company has agreed to furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds of a public or rights issue from the objects stated in the offer document.

No part of the proceeds from the Fresh Issue will be paid by the Company as consideration to the Promoters, the Directors, Promoter Group, Group Entities or key managerial employees, except in the normal course of the business. The Proceeds of the Offer for sale less the proportion of Issue Expenses as stated will accrue to the Selling Shareholders.

Offer for Sale

The Issue includes an Offer for Sale of 22,96,000 Equity Shares aggregating to not less than Rs. [●] lakhs by the Selling Shareholders and the Company will not benefit from such proceeds.

Bridge Financing Facilities

The Company has not raised any bridge loan against the proceeds of the Issue.

Other Confirmations

No part of the proceeds from the Issue will be paid by the Company as consideration to the Promoters, the Directors, the Promoter Group and key managerial employees, except in normal course of business.

G. BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company and Selling Shareholders in consultation with BRLM(s) on the basis of assessment of market demand and on the basis of the following Qualitative and Quantitative factors for the Equity Shares offered by the Book Building Process. The Face Value of the Equity Shares is Rs. 10/- and the Issue Price is 12 times the Face Value at the lower end of the Price Band and 13 times the Face Value at the higher end of the Price Band.

Qualitative factors

For the qualitative factors, which form the basis for determining the Issue Price please refer to section titled, "Business Overview" beginning on page 76 of this Red Herring Prospectus.

Quantitative factors

a) Earnings per share (EPS) - Basic

Unconsolidated basis

Financial year	EPS (Rs.)	Weightage
March 31, 2007	11.30	1
March 31, 2008	12.68	2
March 31, 2009	16.88	3
Weighted average EPS	14.55	

Consolidated basis

Financial year	EPS (Rs.)	Weightage
March 31, 2007	13.24	1
March 31, 2008	13.33	2
31st March, 2009	17.62	3
Weighted average EPS	15.46	

b) Earnings per share (EPS) - Diluted

Unconsolidated basis

Financial year	EPS (Rs.)	Weightage
31st March, 2007	11.28	1
31st March, 2008	12.55	2
31st March, 2009	16.88	3
Weighted average EPS	14.50	

Consolidated basis

Financial year	EPS (Rs.)	Weightage
March 31, 2007	13.21	1
March 31, 2008	13.19	2
31st March, 2009	17.62	3
Weighted average EPS	15.41	

c) Price/Earning Ratio (P/E Ratio) in relation to Issue price of Rs. [•]

Particulars	**At the lower band of Rs. 120/- per Equity Share**	**At the upper band of Rs.130/- per Equity Share**
Unconsolidated basis		
Based on March 31, 2009 EPS	7.11	7.70
Based on weighted average EPS	8.25	8.93
Consolidated basis		
Based on March 31, 2009 EPS	6.81	7.38
Based on weighted average EPS	7.77	8.41

- Industry P/E*:

(a) Highest: 68.00

(b) Lowest: 1.90

(c) Average: 10.00

**Source: Capital Markets Vol. XXIV/13 dated August 24 – September 06, 2009 Segment - (Computers Software Medium/Small)*

d) Return on Networth

Unconsolidated basis

Financial year	**RONW %**	**Weightage**
March 31, 2007	38.21	1
March 31, 2008	30.82	2
31st March, 2009	31.76	3
Weighted Average RONW	32.52	

Consolidated basis

Financial year	**RONW %**	**Weightage**
March 31, 2007	40.70	1
March 31, 2008	29.84	2
31st March, 2009	30.90	3
Weighted average RONW	32.18	

e) **Minimum return on total net worth** needed after the Issue to maintain EPS (as on March 31, 2009) at Rs.16.88 (on unconsolidated) is

At lower end of the price band of Rs.120/- is 28.33%
At higher end of the price band of Rs.130/- is 27.70%

f) **Minimum return on total net worth** needed after the Issue to maintain EPS (as on March 31, 2009) at Rs.17.62 (on consolidated) is

At lower end of the price band of Rs.120/- is 28.07%

At higher end of the price band of Rs.130/- is 27.48%

g) **Net Asset Value**

Unconsolidated basis

As at March 31, 2009	50.22
As at March 31, 2008	39.56
After Issue at Issue Price of Rs.[•]	[•]

Consolidated basis

As at March 31, 2009	53.89
As at March 31, 2008	42.93
After Issue at Issue Price of Rs.[•]	[•]

h) The face value of the shares is Rs.10/- and the Issue price is [•] times of the face value at a price of Rs. [•].

Comparison of accounting ratios of the Company with industry average and accounting ratios of peer group for Financial Year 2009.

The Company cannot be compared with the other listed companies, as the company doesn't have apparent competitor in the segment, in which it is operating. A comparison with these companies could be relevant to a limited extent:

Company	Year/Period ended	Face Value (Rs.)	EPS (Rs.)	P/E	BV (Rs.)
Sonata Software Limited	March 31, 2009	1.00	4.8	6.7	21.3
FCS Software Limited	March 31, 2009	10.00	17.9	4.8	83.3
Bluestar Infotech	March 31, 2009	10.00	11.5	6.2	62.8
Thinksoft Global Services Limited	March 31, 2009	10.00	16.88	[•]	50.22

**Source: Capital Markets Vol. XXIV/13 dated August 24 – September 06, 2009 Segment - (Computers Software Medium/Small)*

The BRLMs believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. For further details, see the section titled "Risk Factors" on page [xiii] and the financials of the Company including important profitability and return ratios, as set out in the Auditor's Report stated on page 195 of this Red Herring Prospectus to have a more informed view.

H. STATEMENT OF TAX BENEFITS

To
The Board of Directors
Thinksoft Global Services Ltd
Chennai

We hereby report that the enclosed annexure states the possible tax benefits available to Thinksoft Global Services Limited (formerly Thinksoft Global Services Private limited) (the "Company") and its shareholders under the current tax laws presently in force in India as amended by the Finance Act, 2008. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- The company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the Company.

For PKF Sridhar & Santhanam
Chartered Accountants

S.Hariharan
Partner
Membership No. 20158

Chennai
Date: 11th August 2009

STATEMENT OF POSSIBLE GENERAL TAX BENEFITS AVAILABLE TO THINKSOFT GLOBAL SERVICES LIMITED AND TO ITS SHAREHOLDERS

We are not aware of any specific tax benefit available to the Company, other than as disclosed in this report.

I. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

Thinksoft Global Services Limited (herein referred to as 'TGSL') is an Indian Company, subject to tax in India. TGSL is a 100% Export Oriented Unit ("EOU") registered with Software Technology Parks of India ("STPI"). Considering the activities and the business of TGSL, the following benefits may be available to TGSL the following are the tax benefits available to the Company.

1. The Company enjoys a tax holiday for its export earnings u/s 10A of the Income Tax Act, 1961 till the financial year 2009-10.

2. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(c)(iv) of the Act, subject to the limit specified in Section 35D(3) and fulfillment of requirements u/s 35(1) (ii)

3. In case the income tax payable under the normal provisions of the IT Act is less than 10% of the book profits of the Company, then such book profit would be deemed to be the total income of the Company for that year and minimum alternate tax (MAT) payable on such total income would be at the rate of 10% plus applicable surcharge and education cess. Under Section 115JAA(1A) of the Act, credit is allowed in respect of any MAT paid under Section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowed under Section 115JAA (3A).

4. The Company is also proposing to set up a New Industrial Undertaking in Special Economic Zone. Under Sec 10AA of the Income Tax Act 1961, new industrial undertakings established in a Special Economic Zone would be entitled to a tax holiday for first five assessment years and 50% of profits for the immediately succeeding 5 assessment years.

   During the succeeding five assessment years, the undertaking would be eligible for a deduction up to 50% of Profits transferred to a special reserve to be labeled as Special Economic Zone Reinvestment Reserve. The amount standing to the credit of the said reserve account shall be utilized for the purposes of acquiring machinery or plant which is first put to use before the expiry of a period of three years following the previous year in which the reserve was created; and until the acquisition of the machinery or plant as aforesaid, for the purposes of the business of the undertaking other than for distribution by way of dividends or profits or for remittance outside India as profits or for the creation of any asset outside India;

5. Major Proposals contained in Finance (No 2) Bill 2009 relevant for the company:

The rate of MAT is being increased to 15% (plus applicable surcharge and education cess). The period for which MAT could be carried forward and set off under Sec 115AA is being increased to 10 years.

Dividend Income

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax.

2. As per Section 10(35) of the Act, the following income will be exempt in the hands of the Company:
    a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
    b. Income received in respect of units from the Administrator of the specified undertaking; or
    c. Income received in respect of units from the specified company.

    However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

    For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

Capital Gains

1. As per Section 10(38) of the Act, Long term capital gains arising to the company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to Securities Transaction Tax.

    For this purpose, "Equity Oriented Fund" means a fund –

    a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

    b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the Act.

However the Long Term Capital gains exempt under Section 10(38) would still be liable to book profit tax under Section 115JB of the Act.

2. As per Section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If

only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. "Long term specified asset" for the purpose of making investment under Section 54EC of the Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

a. by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;

b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

However, in regard to investments in Long term specified asset made on or after 1st April 2007, the exemption would be available only in regard to investments not exceeding Rs.50 lakhs in one financial year.

3. As per Section 111A of the Act. short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to Securities Transaction Tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

4. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act

5. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the Company arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act plus applicable surcharge and education cess. However an optional scheme of concessional tax of 10% plus applicable surcharge & cess would apply on the Long term capital gain determined without indexation benefit in regard to sale of listed securities or units or zero coupon bonds

6. Short-term capital loss suffered during the year shall be set off against income if any under the head capital gain; balance loss if any, could be carried forward for set off against capital gains of future years upto eight subsequent assessment years

7. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains; balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

8. In case any part of the business of the Company consists of purchase and sale of shares of other companies, the provisions of the explanation to Section 73 may be attracted.

II. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

2. As per the provisions of Section 10 (38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on recognized stock exchange of India and is liable to Securities Transaction Tax.

3. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of an equity share of the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to Securities Transaction Tax.

4. Long Term and Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 10(38) and Section 111A respectively of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

5. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the shareholder arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act plus applicable surcharge and education cess. However an optional scheme of concessional tax of 10% plus applicable surcharge & cess would apply on the Long term capital gain determined without indexation benefit in regard to sale of listed securities or units or zero coupon bonds

6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:

    a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988:
    b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. However, in regard to investments in Long term specified asset made on or after 1st April 2007, the exemption would be available only in regard to investments not exceeding Rs.50 lakhs.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains(which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the net consideration (i.e. sale value minus expenditure incurred in connection with transfer) from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer. If the cost of the new asset is less than the net consideration, the exemption will be proportionately lower.

8. Short-term capital loss suffered during the year shall be set off against income if any under the head capital gain; balance loss if any, could be carried forward for set off against capital gains of future years upto eight subsequent assessment years

9. Long-term capital loss (not covered by Section 10(38)) suffered during the year is allowed to be set-off only against long-term capital gains; balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

10. Where the resident shareholder is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, the provisions of Explanation to Section 73 may be attracted.

III. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN

SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from the tax and are not subjected to any deduction of tax at source.

2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sale has been entered through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax.

3. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
   a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. In regard to investments in Long term specified asset made on or after 1st April 2007, the exemption would be available only in regard to investments not exceeding Rs.50 lakhs in one financial year

The cost of long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the net consideration (i e sale value minus expenditure incurred in connection with transfer) from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer. If the cost of the new asset is less than the net consideration, the exemption will be proportionately lower

6. Under Section 111A of the IT Act, short-term capital gains arising from sale of an equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to

securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

7. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian.

8. Short-term capital loss suffered during the year shall be set off against income if any under the head capital gain; balance loss if any, could be carried forward for set off against capital gains for future years upto eight subsequent assessment years

9. Long-term capital loss with regard to transactions not covered by Section 10(38) suffered during the year is allowed to be set-off only against long-term capital gains; balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

10. Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII – A of the IT Act, which inter alia entitles them to the following benefits:

    a. As per the provisions of Section 115E of the Income Tax Act, 1961, and subject to the conditions specified therein, long-term capital Gains arising on the transfer of Company's shares will be charged to Income Tax @ 10% (plus applicable surcharge and education cess).

    b. Under Section 115F of the IT Act, long-term capital gains arising to a Non-Resident Indian from transfer of shares of the Company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets, as defined in Section 115C of the IT Act / saving certificates referred to in clause 10(4B) of the Act, within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/ saving certificates are transferred or converted within 3 years from the date of their acquisition.

    c. Under Section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if the only source of income is investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII – B of the IT Act.

    d. Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

IV. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

V. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referredto in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to Securities Transaction Tax.

3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

    a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
    b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. However, in regard to investments in Long term specified asset made on or after 1st April 2007, the exemption would be available only in regard to investments not exceeding Rs.50 lakhs in one financial year.

4. Where the Foreign Institutional investor is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, the provisions of Explanation to Section 73 may be attracted.

5. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115 O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency

referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income Rate of tax	(%)
Income in respect of securities	20
Long term capital gains	10
Short term capital gains (Other than short term capital gain u/s 111A)	30

6. The above tax rates would by increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

7. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is liable to Securities Transaction Tax.

8. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

VI. GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

As per Section 10(23FB) of the Act, all Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

UNDER THE WEALTH TAX ACT, 1957

Section 2(ea) of the Wealth tax Act, 1957 defining "Asset" does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

UNDER THE GIFT- TAX ACT

Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Notes:

a. *The expression education cess in this certificate also covers Secondary & Higher Education Cess.*
b. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*
c. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the*

company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

d. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*
e. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
f. *In respect on non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

g. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2008.*

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Thinksoft Global Services Limited. PKF Sridhar & Santhanam shall not be liable to Thinksoft Global Services Ltd for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. PKF Sridhar & Santhanam will not be liable to any other person in respect of this statement

For PKF Sridhar & Santhanam
Chartered Accountants

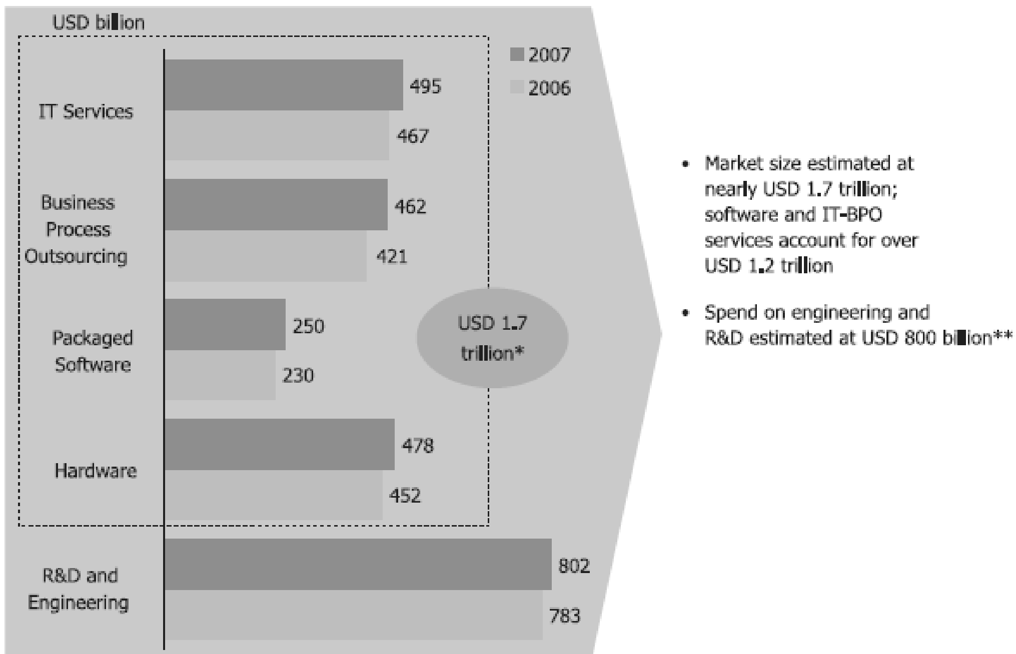
S.Hariharan
Partner
Membership No: 20158
Place: Chennai
Date: 11th August 2009

SECTION IV – ABOUT THE COMPANY

A. INDUSTRY OVERVIEW

While the forecast spend in the global IT industry remains moderate, the Indian IT Industry is expected to continue on its growth trajectory. As before, service exports will be the key drivers of this growth – suitably complemented by a booming economy and a growing domestic market.

Global Technology Related Spending:



*2007
**Technology spending defined as per IDC classification of IT Services, software, hardware and BPO; R&D and Engineering spending estimates reported separately to avoid double counting

Source: IDC, NASSCOM

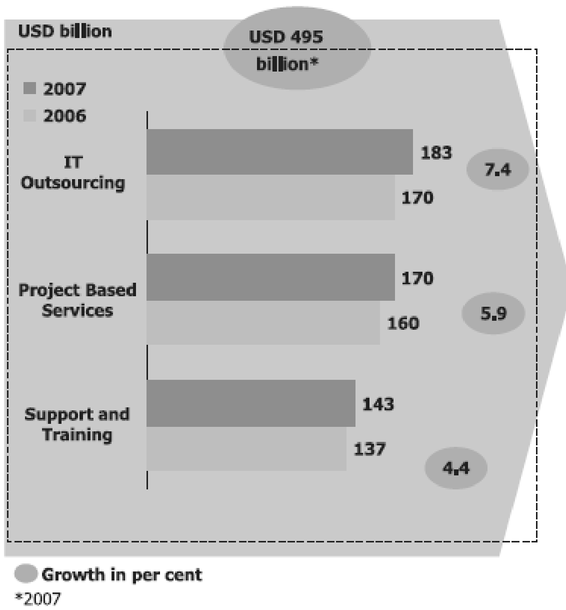
2007 was a year of continued growth for the technology and related services sector, with the worldwide spending aggregate estimated to reach nearly USD 1.7 trillion, a growth of 7.3 per cent over the previous year. Software and services continue to lead, accounting for over USD 1.2 trillion – over 71 per cent of the total spend. Hardware spends, at USD 478 billion, accounted for over 28 per cent of the worldwide technology spending aggregate in 2007.

Underlying the sustained growth were a range of economic, regulatory and demographic drivers – including a continued emphasis on trimming operational costs, dealing with increasing compliance and regulatory requirements, remaining price competitive, transforming into a global services oriented business model and addressing challenges of rising skill shortages, across several developed markets.

IT-enablement and automation are now well recognised as effective means of streamlining business processes and increasing productivity, which continues to drive technology adoption and spends. Further, increasing emphasis on innovation-led growth is also contributing to this growth, with firms constantly seeking new ways of leveraging technology to efficiently increase speed-to-market.

(Source: NASSCOM Strategic Review 2008 – Page No.30, under section – Global Sources Trends in 2007)

IT services spending – worldwide:



USD million

IT Outsourcing	2006	2007
IS outsourcing	92,160	96,965
Network and desktop outsourcing	33,321	35,538
Application management	22,581	24,770
Hosted application management	2,826	3,553
Hosting infrastructure services	19,125	21,820
Project Based Services	**2006**	**2007**
IT consulting	25,582	27,067
Systems integration	80,704	84,982
Network consulting and integration	29,930	32,588
Custom application development	24,179	25,251
Support and Training	**2006**	**2007**
Hardware deploy and support	54,372	56,013
Software deploy and support	59,969	63,265
IT education and training	22,266	23,335

Source: IDC, NASSCOM

IT services, accounting for nearly a third of the total, form the largest segment of the worldwide spend on technology products and related services. Total spend on IT services in 2007 was estimated at over SD 495 billion, a growth of 6 per cent over USD 467 billion in 2006.

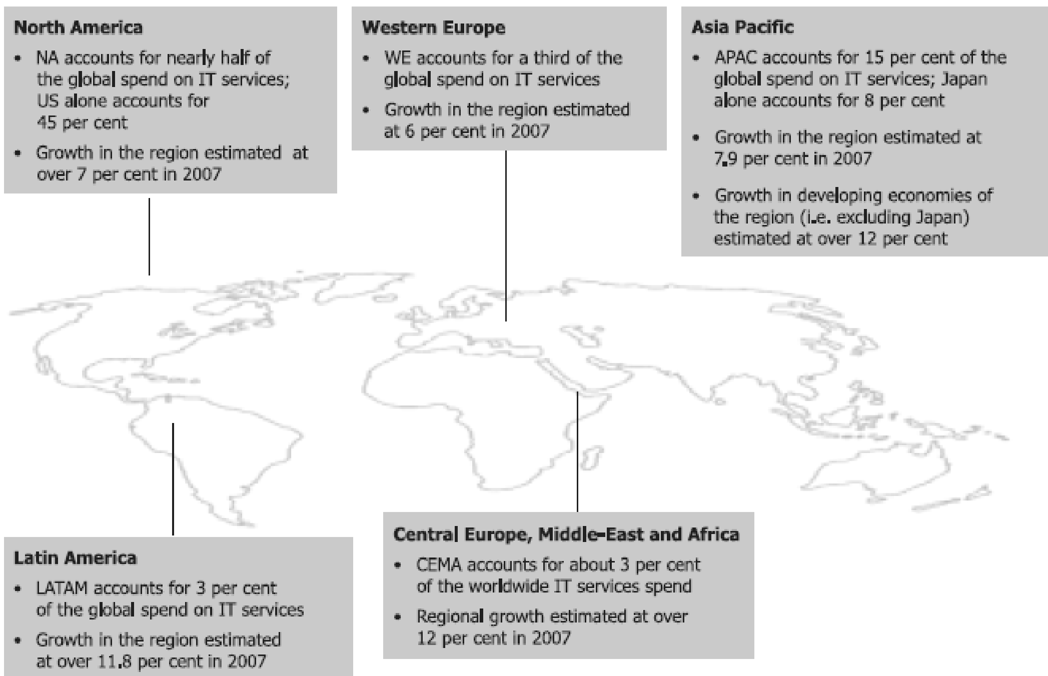
Outsourcing was the largest and fastest growing category of IT services spending in 2007, with Companies continuing to opt for external service provisioning as a means of managing their own businesses more effectively and efficiently. This category, estimated at over USD 183 billion (nearly 37 per cent of the total IT services spends), is estimated to have grown by 7.4 per cent over the corresponding figure for 2006 – driven by high double digit growth across segments such as hosted application management and infrastructure services.

Revenues from project based IT services were estimated at USD 170 billion in 2007, a growth of 5.9 per cent over 2006. Most sub-segments within this category are estimated to have reported near-average growth, with the exception of network consulting and integration which grew at 8.8 per cent.

Support and training services revenues in 2007 were estimated at nearly USD 143 billion, a growth of 4.4 per cent over the previous year. The increasing trend towards plug-and-play components and the general bundling of installation with purchase of the overall solution, have contributed to slower demand for discrete hardware deployment and support services. On the other hand, as companies continue to adopt new applications to better leverage technology in their businesses, the demand for software deployment and training services remained relatively stronger.

(Source: NASSCOM Strategic Review 2008 – Page No.35, Section – Global Sources Trends in 2007)

Regional trends in IT services spend:



Source: IDC, NASSCOM

With North America and Western Europe together accounting for over 80 per cent of the worldwide IT Services spends, the macro-economic and business dynamics in these regions expectedly played a dominant role in defining regional patterns and trends. As discussed earlier, the share of the US in the worldwide spending aggregate declined marginally, due to faster growth in other regions as well as the impact of the USD depreciation vis-a-vis local currencies, on dollar denominated estimates.

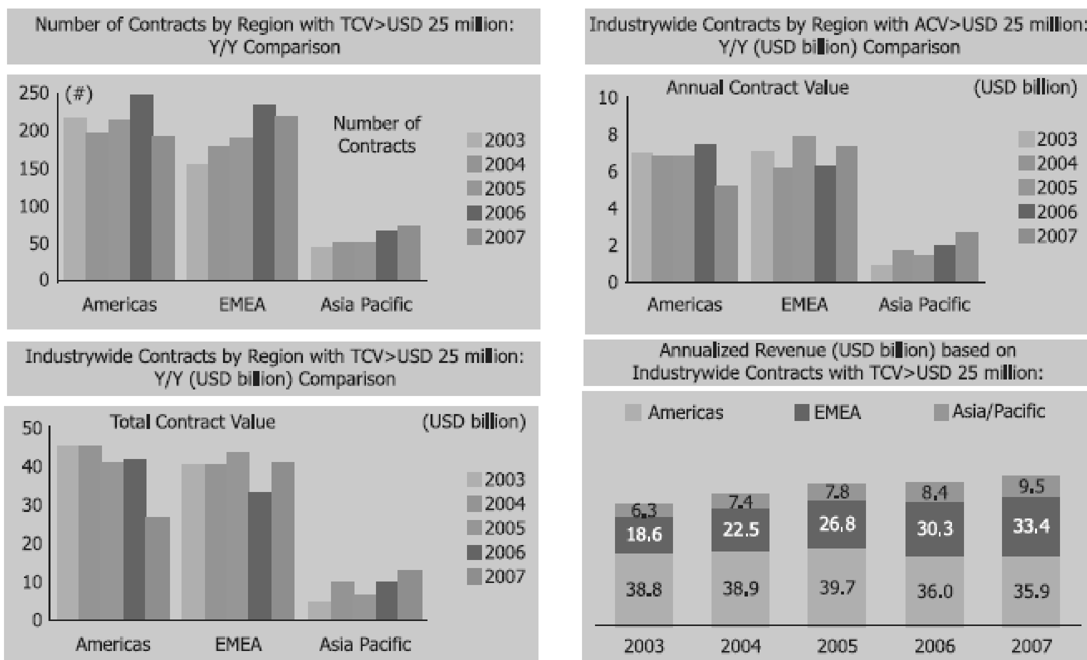
Nonetheless, the significant scale and momentum of the US market ensured that it still accounted for one of the highest increase in absolute dollar spends – across all markets. Pressures to increase efficiency and productivity, heightened due to concerns of a possible economic slowdown was reflected in the shift towards sustenance spends and increasing adoption of global sourcing.

The UK economy witnessed growth in domestic demand above consensus estimates and increased business investment, which was also reflected in its technology related spends. Spending in other markets in Western Europe remained moderate, with most economies witnessing a moderation in growth towards the end of 2007.

On the other hand, growth in other regions – predominantly comprising emerging economies continued to report strong double digit growth, with key markets such as India and China growing at a rates that were about twice the regional average. Other high growth markets in 2007 included Brazil in Latin America, Russia and several countries in the CEMA region, which witnessed accelerated IT adoption driven by growth in domestic industries and increasing globalization.

(Source: NASSCOM Strategic Review 2008 – Page No.36, under section – Global Sources Trends in 2007)

Outsourcing Spending Patterns



Source: TPI

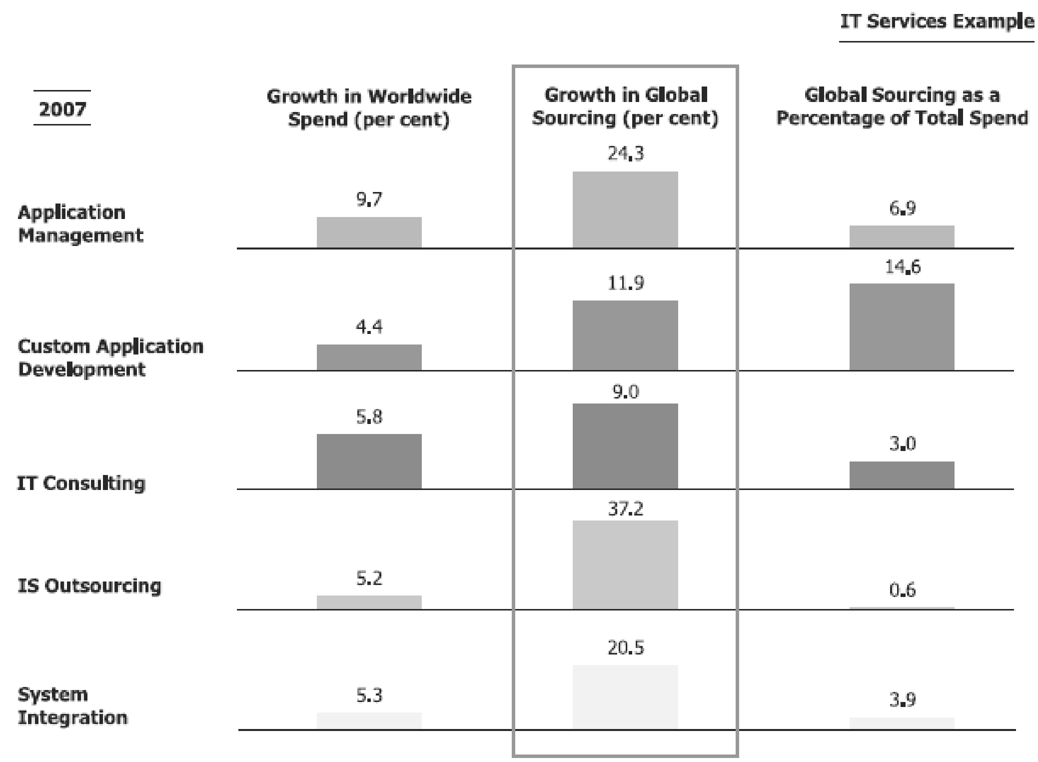
While the Americas region, specifically the US, continues to dominate overall software and service spends, 2007 witnessed a gradual shift in outsourced spending patterns in favour of the EMEA and Asia Pacific regions. For the first time, the total value of contracts awarded in a single year in EMEA exceeded the corresponding value for contracts awarded in the US, in 2007.

This contrarian trend was a result of three key factors; potentially moderating growth in the US on the back of a possible economic slowdown, the impact of appreciating local (non-USD) currencies on dollar forecasts, and the increasing traction for outsourcing in the EMEA and Asia Pacific regions.

Further, it is pertinent to also note other parameters that reflected signs of relative stability and maturity in the outsourcing market in 2007. The total and average values of contracts signed in 2007 reflected steady growth, and contract durations were relatively stable, even though there was a reduction in the number of contracts signed (relative to that in 2006). This broad-based growth, coupled with the strong outlook of sustained momentum for outsourcing in the coming year bodes well – especially against the headwinds of a potential global economic slowdown.

(Source: NASSCOM Strategic Review 2008 – Page No.41, under section – Global Sources Trends in 2007)

Off shoring opportunities:



Source: IDC, NASSCOM

Comparing the growth in worldwide spends on key categories of IT services with the growth in offshore spends for the same services, it is observed that growth in offshore spend across categories is at least twice as high as the overall growth in category spends – and up to nine times faster for emerging segments such as infrastructure management services. However, the total offshore spend even on custom application development and maintenance, which has the highest levels of offshore penetration, is still less than 16 per cent of the total spend on the segment.

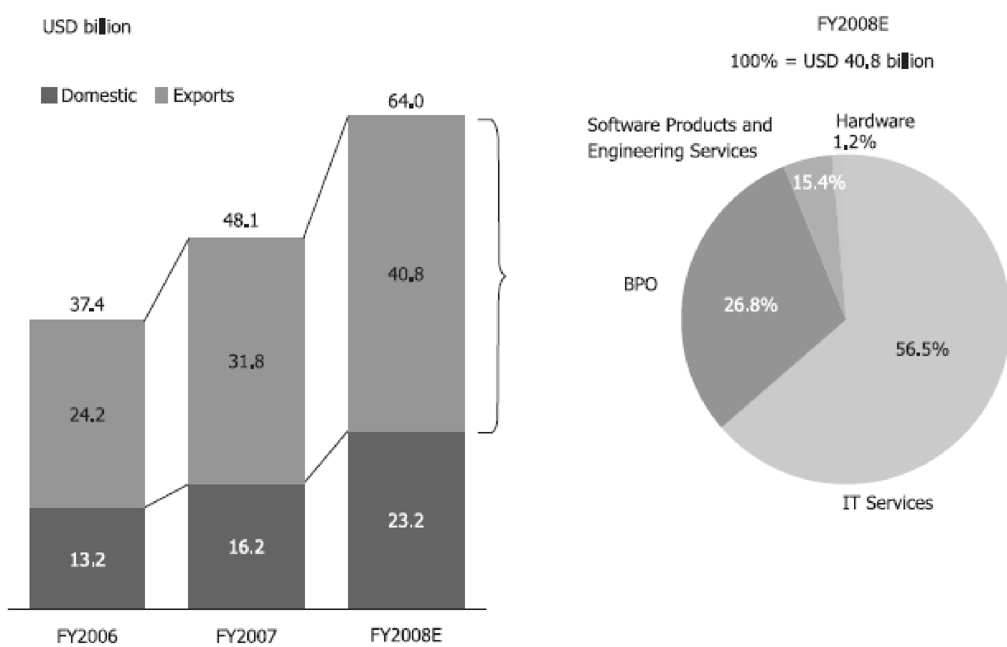
This, coupled with the continued success of the global delivery model clearly supports the strong growth expected in offshore spends on IT services.

Similar trends are also being observed in BPO, where the spend on offshore outsourcing is growing rapidly – even higher than the double digit growth observed in the aggregate worldwide BPO spends.

Consequently, players with demonstrated global delivery capabilities continue to gain on the incumbents. India-heritage providers, equipped with the longest experience, largest scale and well established credibility in global sourcing, reported sharp gains in share of contracts won against the globs, in 2007.

(Source: NASSCOM Strategic Review 2008 – Page No.42, under section – Global Sources Trends in 2007)

Off Shoring IT Services - India's Connection



Source: NASSCOM

Exports, accounting for 64 per cent of the overall Indian IT-BPO revenue aggregate, are growing at 28 per cent and are expected to reach USD 40.8 billion in FY2008.

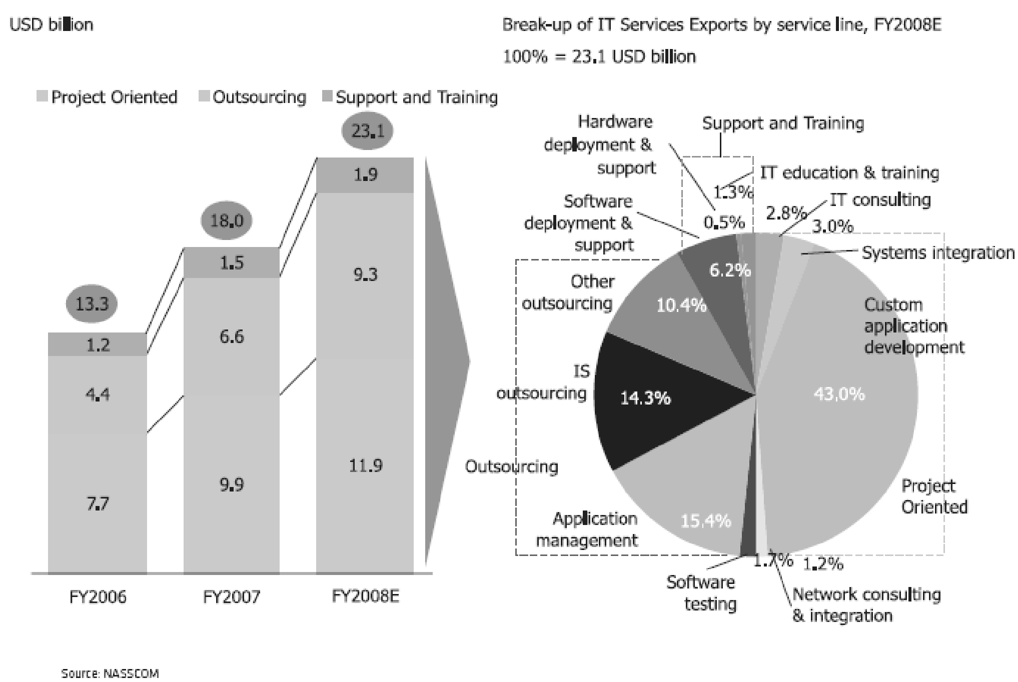
Services and software account for over 98 per cent of the export total, led by IT services (57 per cent), BPO (27 per cent), engineering services and software product licensing / development (15 per cent). Revenues earned from the export of hardware, primarily comprising peripherals and hardware components, are estimated at about USD 500 million (1 per cent of the export total).

The expected growth in software and services exports from India in FY2008 lies at the higher end of the forecast released earlier (July 2007), during the first quarter of the current fiscal year. Though the growth rate is numerically lower than that in the past few years, it is worth highlighting that this comes on the back of strong headwinds including an impending slowdown and a severe financial sector crisis in the US and a sharp appreciation in the value of the Indian Rupee (INR). Further, the absolute value of incremental growth (USD 8.9 billion) in exports expected to be achieved by the industry this year is the highest ever achieved in a single year, in its history.

Underlying the sustained export growth is a combination of large untapped demand potential, rapidly growing adoption and widening scope of the global delivery model (in terms of geographies, vertical markets served as well as services offered), and India continuing to leverage its fundamental advantages of talent, cost, quality and early-mover advantage / experience to garner a disproportionately large share of the growth in global sourcing of IT-BPO.

(Source: NASSCOM Strategic Review 2008 – Page No.51, under section – Indian IT BPO Performance in 2007)

IT services accounted for 57 percent of exports with a noticeable shift towards outsourcing services:



IT services (excluding BPO) continue to lead Indian IT-BPO exports, accounting for about 57 per cent of the total. This segment is expected to grow by about 28 per cent, and cross USD 23 billion in the current fiscal (FY2008).

Project based services, contributing about 52-55 per cent, continues to be the largest segment of the IT exports. FY07 witnessed the share of project oriented services decline by about 3 per cent with custom application and development (CADM), the largest segment among project based services (contributing over USD 8 billion) growing by about 24 per cent. The relatively lower growth in CADM, compared to the overall growth in IT services, is not a reflection of growth slowing –

but of the base-effect of other relatively newer services entering the rapid growth phase.

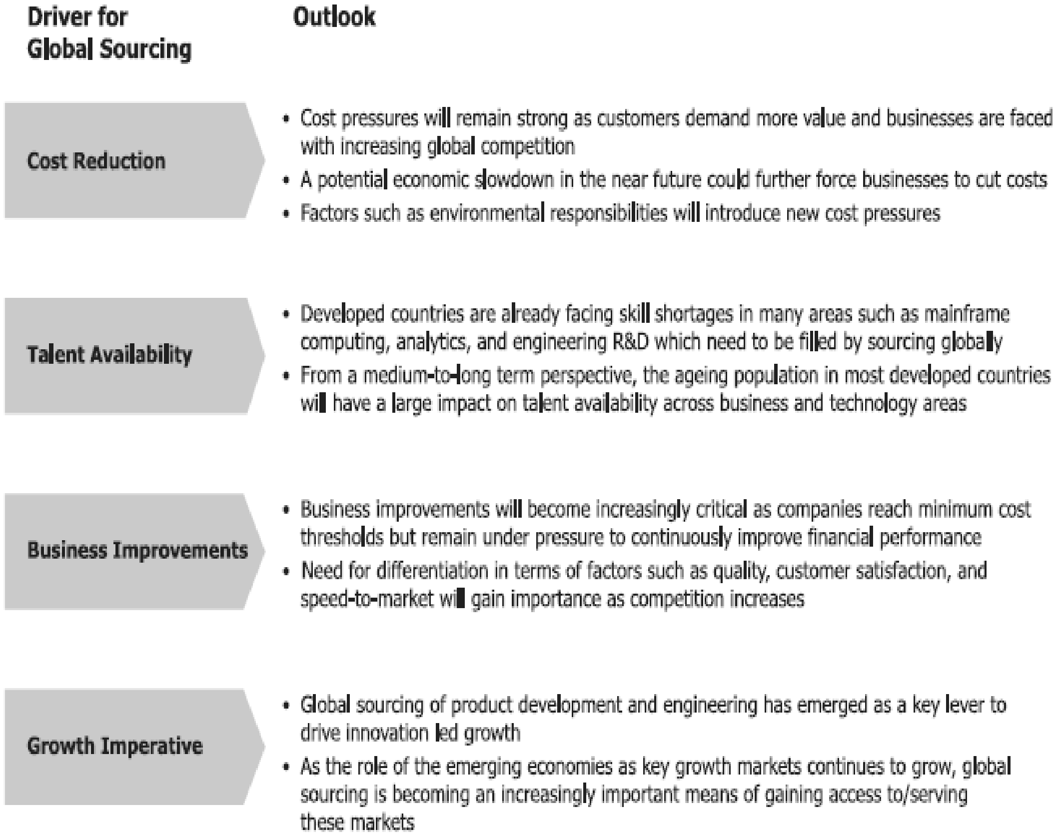
Higher value project based services such as IT Consulting, Systems Integration, and Testing Services saw rapid growth as providers strengthened their capabilities and demonstrated value in these areas. This pattern is observed to be continuing in FY2008, with the share of project oriented services steadily giving way to an increase in longer-term outsourcing contracts across a broader service portfolio.

Outsourcing services gained share in FY2007, contributing 36-37 per cent to India's exports. Application management and infrastructure services (IS) outsourcing both grew rapidly, clocking growth rates of over 60 per cent and 100 per cent, respectively. Other outsourcing services such as SOA and web services also witnessed a steady growth.

Support and Training exports in FY2007 were estimated at about USD 1.5 billion and are forecast to reach USD 1.9 billion in FY2008.

(Source: NASSCOM Strategic Review 2008 – Page No.54, under section – Indian IT BPO Performance in 2007

Future Outlook



Driver for Global Sourcing	Outlook
Cost Reduction	• Cost pressures will remain strong as customers demand more value and businesses are faced with increasing global competition • A potential economic slowdown in the near future could further force businesses to cut costs • Factors such as environmental responsibilities will introduce new cost pressures
Talent Availability	• Developed countries are already facing skill shortages in many areas such as mainframe computing, analytics, and engineering R&D which need to be filled by sourcing globally • From a medium-to-long term perspective, the ageing population in most developed countries will have a large impact on talent availability across business and technology areas
Business Improvements	• Business improvements will become increasingly critical as companies reach minimum cost thresholds but remain under pressure to continuously improve financial performance • Need for differentiation in terms of factors such as quality, customer satisfaction, and speed-to-market will gain importance as competition increases
Growth Imperative	• Global sourcing of product development and engineering has emerged as a key lever to drive innovation led growth • As the role of the emerging economies as key growth markets continues to grow, global sourcing is becoming an increasingly important means of gaining access to/serving these markets

The global sourcing phenomenon is fundamentally driven by three factors today, namely, access to newer talent pools, reduction in costs, and improvements in specific aspects of business other than costs.

While the first two factors were really responsible for the pioneering of global sourcing and remain the primary drivers even today, the third factor (business improvements) has gained increasing importance. As global sourcing has evolved, buyers have started extracting much broader-based business benefits by more effectively utilising remote delivery.

The future outlook on all these factors favour strong growth for global sourcing. Cost pressures are likely to continue unabated on businesses as customers continue to demand more for less in an increasingly competitive global environment. Companies are also increasingly having to deal with a host of environmental considerations such as global warming, social responsibilities, and compliance issues which – though necessary – are adding to the draw on their resources and are a further strain on their profitability. With the threat of a potential slowdown in economic growth, the pressure to contain costs is likely to increase further. Global sourcing offers companies an effective means of controlling these costs.

Access to talent, already a key driver, is likely to become more critical in the medium to long term due to the changing profile of the workforce demographics in most developed countries. An analysis of the population patterns show that countries like USA, UK, France, Japan and Germany will face a significant shortfall in the total workforce by 2020.

(Source: NASSCOM Strategic Review 2008 – Page No.116, under section – Future Outlook)

In contrast, most of the low-cost locations like India, Philippines, Mexico and Brazil will have a surplus workforce by over the same period. This imbalance in the available pools of skilled resources, between the developed and developing nations, is likely to continue driving global sourcing demand.

Buyers also continue to push-the-envelope on the effective use of global sourcing to achieve other business improvements such as improved quality, productivity, speed-to-market, customer satisfaction, and revenue realization. Mature buyers of globally sourced services are already using low-cost delivery in number of interesting ways, examples of which are given below:

- Using additional capabilities to analyses a wider portfolio of companies and thus creating new investment opportunities

- Reducing speed-to-market of new products and services by deploying short-term incremental talent and conducting multi-time zone development

- Improving revenue realization by expanding collections to a wider set of customers earlier considered cost-ineffective for recoveries

Further, global sourcing is now also becoming a key growth imperative. Globalisation of innovation and R&D is a growing trend already in play today. Significant growth in international trade, especially over the last two decades, has helped global companies discover the viability of tapping the growth potential in emerging markets. Global sourcing has proved to be an effective tool for global companies to expand their business reach and also serve these new markets more efficiently and economically – by distributing their development and production capacities across the world and better leveraging economics, talent, local knowledge and context.

(Source: NASSCOM Strategic Review 2008 – Page No.117, under section – Future Outlook)

B. BUSINESS OVERVIEW

The Company is a Banking, Financial Services and Insurance ('***BFSI***') focussed software testing enterprise with over 8-million person hour track record. The Company operates in the financial and insurance software testing space that transforms company performance and operational effectiveness. The Company was rated among '**Deloitte Tech Fast 50 India**' and '**Deloitte Tech Fast 500 Asia Pacific**' for the years 2006 and 2007 and '**Deloitte Tech Fast 500 Asia Pacific**' for the year 2008.

Companies in the BFSI sector are constantly increasing their investments in IT as part of their strategy to increase profits, improve time-to-market of new products and services, cope with regulatory changes and meet rising customer demands. The problems are aggravated by mounting pressures to respond quickly to these challenges. Banks and financial institutions are sensitive to the knowledge that a single error can result in loss of repeat business, revenues and reputation. They realise the importance of testing and re-testing systems, processes, protocols and products.

By its very nature, the software testing is a very exacting job, making it imperative for this service to be managed by highly dedicated specialists and experts with the necessary domain knowledge. With 10 plus years of experience in financial domain focused independent testing, the Company has acquired the ability to customize testing solutions for clients across a variety of business areas and products to systems integrators, product development companies, and to the clients in the finance sector to achieve near defect-free rollouts. These include.

Sl. No.	Business Activity	Name of Product Tested*copy rights and patents belong to the respective product co's
1	Core Banking / Retail Banking	Finacle, Bancs 24, Flexcube, Newton, FinnOne, Equation, T24, CS Eximbills
2	Treasury	Kondor+, Kastle, Urbis
3	Investment Banking	MIDAS
4	Retail Lending / Loans / Mortgages	Pan Credit, LSI-NT, Foresee, Cheque mate, NBO, Generalized Installment Loans, System, Integrated Consumer Credit System
5	Credit Cards	VisionPLUS®, TS2, PRIME
6	Payment System	STS – CWS
7	Corporate Banking	FLEXCUBE®
8	Insurance	GENIUS, METFACS2, PREMIA
9	Private Banking	ORBI
10	CRM	Siebel
11	Campaign Management	ClarityQ

The Company has established a global presence / footprint in New York, London, Frankfurt, Singapore, Hong Kong, Brussels, Sydney, Bangalore and Chennai through its Wholly Owned Subsidiaries and Branch Offices/place of business.

The details of revenue generated by the Company across the world during the FY 08-09 is given below:-.

S.No	Region	Amount (Rs.in lakhs)	% of revenue
1	America	1,163.68	12.64
2	Australia	322.76	3.50
3	Europe	4,940.81	53.65
4	Middle East	2,299.71	24.97
5	India	317.80	3.45
6	Other Asian countries excluding India	164.45	1.79
	Total	**9,209.21**	**100.00**

The Company is in a knowledge-driven industry and it believes that its employees are key contributors to the success of its business. To achieve this, the company focuses on attracting and retaining the best people possible. It believes that a combination of its working environment and competitive compensation programs, allows the Company to attract and retain people. Multi stage induction and skill enhancement training programs are conducted to prepare its employees for the desired performance levels. The Company has a performance appraisal system, which plays a key role in identifying and encouraging employees with required skill sets and by rewarding exemplary performance. Employees are offered cross functional responsibilities to enhance the skills and an entrepreneurial culture has ensured that the job content is enriching for its employees.

Competitive Strengths

Domain Expertise

Compared to the players who have entered software testing industry recently, the Company has been one of the early entrants. This enabled the Company to accumulate methodologies. Added to this is the domain focus which differentiates it from generic testing service providers / system integrators offering testing services.

The Company has also developed sub-domain specific competencies centered on popular software products in respective areas. This helps in realizing service efficiencies and provides another competitive strength.

Professionally and experienced management team

The Company has large pool of highly skilled, well-trained employees. As of August, 10, 2009 , the Company has a total of 523 employees. The Company provides Testing function and Domain function. The skill sets of the employees give them the flexibility to adapt to the needs of the clients and the technical requirements of various projects that the Company undertakes. The Company is committed to the development of the expertise and know-how of the employees through regular technical seminars and training sessions organized or sponsored by the Company. The break up of the employees education qualification wise are as under:

Engineering	53%
Science graduate	18%

Arts and Commerce Graduate	15%
Commerce MBA	4%
Engineering MBA	1%
MBA	2%
ICWAI & CA	2%
Other PG	5%
Total %	**100%**

Long term relationships with customers

The Company has l relationships with several Fortune 500 global corporations, built on its successful execution of prior engagements. Its track record in delivering the services has helped the Company in forging strong relationships with its major customers resulting in repeated business from them.

ISO 27001:2005 certified and ISO 9001:2000 certified

ISO 27001:2005 specifies the requirement for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented information security management system within the context of an organisation's overall business risks. It specifies requirements for the implementation of security controls customized to the needs of individual organizations or parts thereof. The receipt of this certification evidences the company's compliances with the requirements of this certification. The Company believes that the compliance with the requirements of this certification will help in convincing the customers that productivity loss on account of system/network failures is substantially reduced and that the company has the ability to work in a secured environment.

ISO 9001:2000 certification verifies the Company`s compliance with international standards recognized by the Geneva-based International Organization for Standardization. ISO 9001 recognizes its quality assurance in independent software testing services to Banking, Financial Services and Insurance organizations using its proven offshore delivery model.

ISO 9001:2000, provides a framework that ensures the Company independent software testing services and offerings maintain consistent quality and processes, employing best practices, and using a proven project management methodology to enhance customer satisfaction and ensure continuous improvement.

Sales and marketing team

The Company has created and groomed sales & marketing team by defining a result oriented sales / marketing strategy which is designed, shaped-up and oriented to the needs of the market. Constant effort being deployed by the business development team to keep up to market needs and structure accordingly the pre-sales and delivery team's expertise and approach.

Business Strategy

Thinksoft multi-pronged business strategy covers

- **Continue to invest in infrastructure and employees**

The Company intends to continue investing in physical and technological infrastructure to support growing worldwide development and sales operations and to increase its productivity. To enhance its ability to hire and successfully deploy increasingly greater numbers of domain and technology professionals, the Company intends to continue investing in recruiting, training and maintaining a challenging and rewarding work environment.

- **Partnering / Alliance**

The Company intends to develop alliances that complement its core competencies. The alliance strategy is targeted at partnering with leading technology providers, which allows the Company to take advantage of emerging technologies in a mutually beneficial and cost-competitive manner.

- **Focusing on SME Segment**

The Company is intending to concentrate on Small and Medium Enterprise (SME) clients in association with the product vendors, as the IT business will see more of standardized products and customer specific small variant of the products. The Company has developed specialised service offerings to meet their needs and budgets.

- **Focusing on On-site revenue stream**

Presently, the Company's 62.98 % of the revenue comes from onsite activities and rest of revenues from off-shore activities. Further, the proportion of onsite revenue is likely to be 55% in near future and the Company is likely to add new clients in these segments.

- **Growing the business with existing clients**

The Company's goal is to build long-term sustainable business relationships with the customers to generate increasing revenues. The Company is planning to continue to expand the scope and range of services provided to the existing customers by continuing to build the company's expertise in financial services industries and extending the company's capabilities into new and emerging technologies. In addition, the company is intending to continue to develop the value-added services.

- **Growth through selective acquisition**

The Company believes in achieving long term growth by way of sustained financial performance and efficient operations. The Company also believes the rapid growth being witnessed in the BFSI business would result in substantial jump in the demand for its services. The Company, in order to achieve critical mass, would be looking for selective acquisition opportunities. The acquisition will help Company in expanding geographically and adding expertise rapidly.

- **Serve clients globally**

  The Company plans to expand its services and solution capabilities to client locations around the world. The expansion will be revenue-based – the Company intends to open additional offices primarily where they have existing clients in the geographic region. It believes this will enable it to develop closer relationships with and provide more convenience to its clients who are increasingly seeking service providers with global presence and experience in deploying solutions that address issues of multiple currencies and languages, infrastructure diversity and around-the-clock operations. The Company also expects that global expansion will allow it to capitalise on high growth geographic regions and diversify its revenue base. The Company is currently contemplating opening offices in the Middle East and Europe.

Services

The Company is providing software testing services. All its clients operate in the banking, financial services and insurance sector, yet each of them have individual needs. To cater to the very distinct needs of its customers, the Company has configured its comprehensive range of service capabilities in the area of testing and business requirements assurance. *These include functional testing, performance testing, test automation and Requirements Documentation services.*

New testing quadrant – tool to help the clients choose, the right testing partner

New testing quadrant is a tool for financial technology executives, that aids decision making in selecting right software testing partner to achieve 'first time right software' and enable the business successes.

The goal of this testing quadrant is to present a global view of software testing players in the market, their competencies and the benefits / business risks they bring along, when engaged by a customer.

The quadrant also gives an insight on performance criteria, including how well vendors service processes and methodology can affect the quality of the service received, and whether their orientation meets the client business objectives. Testing quadrant help takes the emotion out of the rankings. And this will help people with key responsibilities to focus on the performance of suppliers rather than on relationships / size of the vendors.

Edge and overview of new testing quadrant

Testing vendor landscape / testing quadrant gives a 2 dimensional view, testing methodology to orientation to testing, adopted by different testing players in market. This quadrant also gives insights about the merits and demerits of particular testing player in the market by its position in quadrant and also the business risk involved in engaging them.

Two dimensions of testing quadrant give an overview of

- What kind of approach / methodology is being followed to deliver testing and
- How their orientation to executing the software testing.

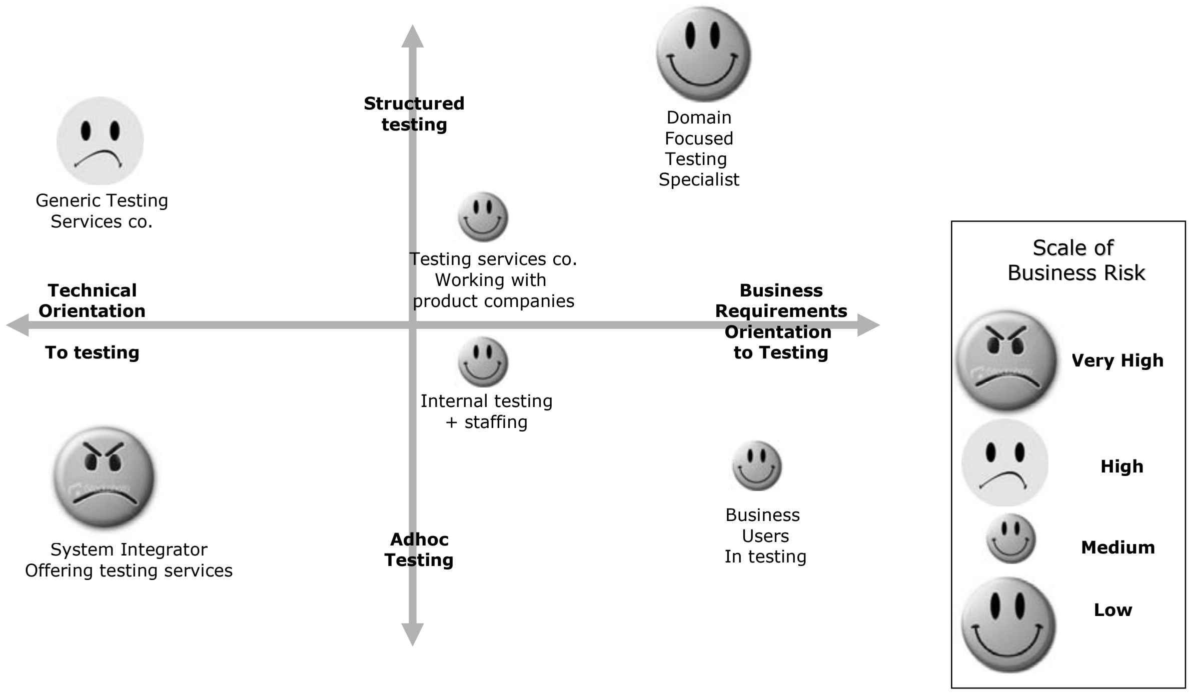
Testing methodology

- **Ad-hoc Testing:** Testing done to just pass the system. Ad-hoc testing can be described as testing carried out using no recognized test case design technique. The methods have high amount of variance by instance, implementer with little or no standards for activities /documentation etc.
- **Structured Testing:** A standardized rigorous methodology to control the testing deliverables, ensure coverage and manage testing risks

Orientation to testing

- **Technical orientation to testing:** A testing procedure relies on object based software testing. It's gives full code coverage test. It describes the degree to which the source code of a program has been tested. It is a form of testing that looks at the code directly and as such comes under the heading of white box testing uses an internal perspective of the system to design test cases based on internal structure. It requires programming skills to identify all paths through the software. The tester chooses test case inputs to exercise paths through the code and determines the appropriate outputs
- **Business user's orientation to testing:** Takes an external perspective (Business users', End user's) of the test object to derive test cases. These tests can be functional or non-functional, though usually functional. The test designer selects valid and invalid input and determines the correct output. There is no knowledge of the test object's internal structure required it ensure that all functionality of testing covered.

Testing Vendor Landscape



How each of the testing players in the market players fares on these attributes and the resulting business risk they pose to the client is elaborated hereunder:

System integrator offering testing services: The quadrant III are at highest on business risk.

System *integrator* has a broad range of skills and is likely to be defined by a breadth of knowledge rather than a depth of knowledge. They have more technology centric-vision *and* they devote only a fraction of budget and development time to testing. They are typically a generalist and unlikely to have structured testing methodologies. Their vision lacks users' perspective. It is for this reason that, when engaged for testing, they pose the ***Highest Possible Business Risk*** to the software rollout.

Generic *testers* doing testing: The quadrant II genres of testers have a structured way of testing and have developed a methodology to test software. But, they stress more on nonfunctional testing (performance testing, Stress testing). So, their orientation is more of technical.

They are dedicated testing service providers. They can avail testing services for wide range of area but lack specific domain knowledge. Generic testers have wide breadth knowledge and able to execute the test well but they are biased with the technicalities of software and lack in-depth knowledge of users acceptance of a software. The ***business Risk is 'High'*** when they are engaged for testing.

Business users in testing: Business users are the ones who will have to operate the system; normally the staff of an organization. They are the only people who understand exactly what the business is, and how it operates. Therefore, they are the only people qualified to check a system to see if it will deliver any benefit to the business or organization. But still a medium amount of risk is involved with them. They know what they require from the software but might not know how to rigorously validate the software against these requirements. So, they have an Ad-hoc approach to testing and they are placed on IV quadrant. Moreover, business users are the one who don't have that much time, expertise and rigor to test the system. ***Business Risk: MEDIUM***

Internal testing + staffing: They are placed in the same IV quadrant with business users and risk involve is not that much still a fair amount of business risk is involved with them. Business seekers involve internal staff for testing which may already face massive loads of work. While, they tend to be somewhat structured in their testing approach, they still cannot offer the '***best in class***' testing needed for complex financial software. Moreover, setting up an in-house testing team can be both time consuming and financially constraining to companies. ***Business Risk: MEDIUM***

Testing service Company working with product Companies: They belong to I quadrant genre. These are testers who have a structured and planned way of testing, they are creative and flexible and act intuitively, but still some moderate business risk is involved with them. Since their experience is primarily with the financial software product companies, the orientation is still 'vendor' sided and not so much '***Client / Business User***' sided. ***Business Risk: MEDIUM***

Domain focused independent testing specialist: I quadrant genre testers. This kind of tester are at least business risk as their long-term domain exposure and deep subject-matter expertise ensures that gaps in the business requirement (‘***BR***’) / functional specification (‘***FS***’) / system design are identified and flagged off early on in the project; normal testing can rarely identify BR / FS defects. Domain focus combined with testing expertise ensures comprehensive test coverage and traceability: this gives business requirements assurance. Independent testing also provides checks and balances against the development vendor by being the 'eyes and ears' of the user, and hence 'owning' the requirements. It enhances user buy-in on both developed software applications as well as on products. This means faster marketability with users. Business ***Risk: LOW***

Software testing process

With a track record of over 10 years in successfully executing software testing projects for Global 500 banking and financial services clients across the world (translating to over 8 Million person hours of testing experience), the Company has created (and are continuously improving) Test Processes and Methodologies that comprise:

- Metrics-driven testing processes
- Standardized documentation of test ware
- Effective systems of reviews
- Optimum usage of automation techniques

The Company’s vast experience with testing projects has helped to evolve numerous best practices which differentiate it from system integrators who also offer testing services.

Global delivery model in testing

Financial organizations across the world are increasingly realising the benefits of the Global delivery model (‘***GDM***’) in testing - lower costs, better quality, increased productivity and scalability. GDMs, which combine offshore and onsite elements, are particularly well suited for complex projects like application testing.

GDM in testing is complex as it entails a high degree of involvement with business users. The delivery model has evolved over several projects and provides the critical underpinning for successful off-shore delivery. It empowers the client to take advantage of availability, scalability and reduced cost of skilled resources that are deployed off-shore.

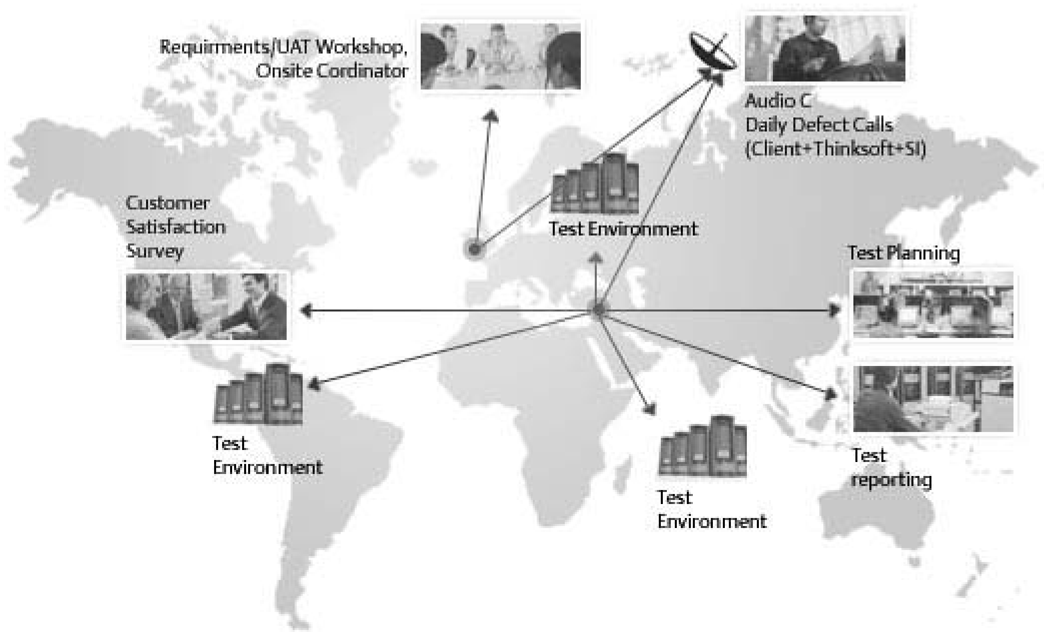
The high degree of process maturity combined with its extensive domain focused testing experience and requirements auditing skills ensures successful delivery of projects of the highest quality, thereby lowering testing overheads to the business users.

The GDMs provide:

- Best practices from over a decade of executing global testing projects for financial majors
- Proven interaction model
- Clearly defined

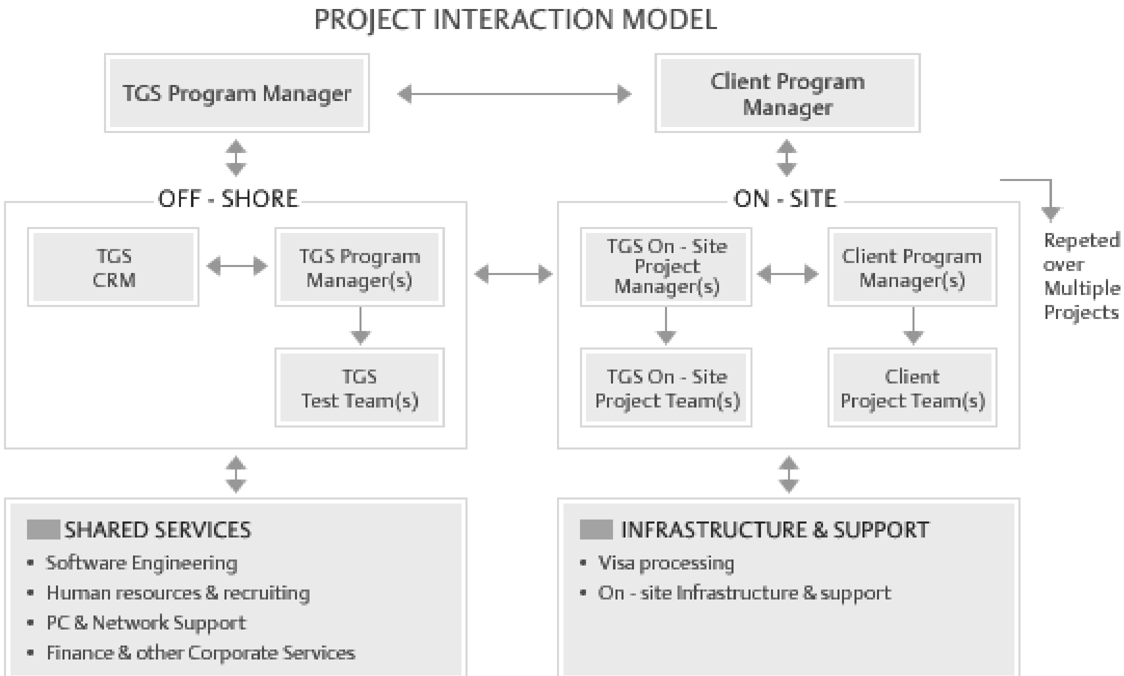
- ✓ Roles & Responsibilities
- ✓ Communication plans
- Trained contact personnel for various time zones
- Optimal onsite - offshore mix
- Role based synergies
- Test management processes
- Proactive risk mitigation processes
- Established business continuity practices

Global delivery model:



The above figure is a schematic of the Company`s GDM, which follows well thought out and mature processes. Onsite, the Company interacts extensively with business users to prepare the requirements document, a comprehensive document that matches the clients business requirements to the functional specification document. The requirements document also forms the basis for formulating test plans and setting up offshore test execution and reporting facilities. Once the test environment is set, the Company will begin testing using a secure VPN connection. The Company ensures that the client and the development team are kept informed throughout the project lifecycle through daily updates via audio conferencing. An onsite coordinator also functions as an effective point of contact between the client and the Company.

Proven project interaction model



The project interaction model governs all communication and review processes and defines clear roles and responsibilities for all stakeholders. It facilitates the smooth progress of clients projects by using checklists, guidelines, templates, and a system of reviews associated with the testing process.

A well-calibrated mix of onsite and offshore efforts to deliver optimal results

The Company offshore test services delivery model judiciously mixes offshore and onsite components at various phases of the testing project to deliver cost effective offshore services without compromising on the quality of project deliverables.

Requisite skills for project level and account level management

Projects and account performances are monitored on a regular basis through reports that are generated at pre-determined periods during the project life cycle.

Testing Process

The Process followed on receipt of a customer approval for a project.

- ✓ Upon receipt of a formal customer approval, CRM/Delivery Manager, (whoever is responsible for getting the response from the customer) would forward the same to CMG. In turn CMG will communicate to all the stakeholders about commencement of work.

- ✓ CMG would publish a technical OI containing information to project office to issue a project code. Based on OI, Head of Delivery / Delivery Manager would assign the test manager and the related team members.
- ✓ Test Manager would then start interacting with the customer SPOC and obtain all the necessary project documentation. Test Manager would re-estimate the effort, if required based on the project documents received.
- ✓ Test Manager would then publish the following documents (internal and external)
    - o Project Budget (Internal)
    - o Project Schedule (External)
- ✓ Upon finalization of project budget and Schedule, the first step of any test project is normally preparation of test strategy document. A test strategy document contains the scope & approach to testing, the roles and responsibilities of all key stake holders, assumptions, risks & appropriate mitigation plan. Test strategy is published to all key stakeholders in the project and their acceptance is taken to proceed further. The test strategy is published normally by a team consisting of the test manager and the business analysts.
- ✓ The test engineer team meanwhile would start understanding the project requirement and would start preparing the test artifacts (test cases, conditions, scripts, data guidelines, test scenarios etc., as agreed in the proposal/test strategy document)
- ✓ Once the test artifacts are completed, the test artifacts which are part of the project deliverables are published to the customer SPOC for any acceptance, if required.
- ✓ A zero day check list is also prepared & published based on the requirements to commence test execution. This checklist is published to all key stakeholders to ensure that they carry out their requirements to commence test execution as planned.
- ✓ As per the test schedule a day zero check is carried out before the commencement of test execution to ensure all the requirements are met. In case the requirements are not met, the test execution does not commence till such time they are met or alternate solution is agreed between Thinksoft test manager and the customer SPOC.
- ✓ Once all the day zero requirements are met, the test execution commences and execution would be carried out based on the run plan prepared by the team.
- ✓ Daily defect dashboards/Status reports are published to all key stakeholders agreed in the test strategy.
- ✓ Defect calls with the development team are also carried out if required based on the requirements. The defect criticality is agreed with the stakeholders etc.,
- ✓ When the defects are fixed, they are retested and either closed or re-raised.
- ✓ On completion of all the scheduled test execution iterations, a formal test summary report is prepared and published to all stakeholders. The test summary report consists of the status of test execution, open items and risks and Thinksoft recommendation to the customer to proceed further.
- ✓ Once a Test summary report is published, the project is considered as closed from a customer point of view.

Technology

The Company's off-shore / on-site model is facilitated with secure IT practices and robust connectivity to access the client testing environment, helping clients realize 'business ready software' by compressing timelines and reducing software product life cycle costs.

Connectivity

The connectivity to client testing environment is achieved through dedicated Internet links of adequate bandwidth and VPN tunnels (encrypted traffic) built from the off-shore testing offices. Multiple ISPs provide the much needed redundancy to support business Continuity plans. Uptime of the links is governed by SLAs with the ISPs. Other Communication for business needs is achieved through multiple channels like Video Conferencing facility, VOIP and Implementation of Call Manager, Unified Communications from CISCO.

Inter Office Connectivity

The two offices in Chennai are connected through Metro-Ethernet point-to-point link of 10 MBps with a back-up link of 2 MBps bandwidth. The office in Bangalore is connected with Chennai office through a site-to-site VPN tunnel.

Physical / Logical separation of network

The client security policies are complied with and physical access to work areas are controlled through proximity cards. Client provided security tokens (hard tokens or soft tokens) ensure that access to client environment is restricted to only authorized members of the team working on the respective projects. Proper processes are put in place with "Customer Property Logs" to account for all client properties and "Access Control Matrix" to ensure segregation of duties. Logical network separation is enabled at the firewall with isolated servers for each client.

Benchmarked Security

The Technological infrastructure is compliant with international standards ISO 27001, providing an assurance to the customers that the Company provides high level of services, compliant with their business requirements through controlled policies, procedures and best practices. Strong perimeter controls are in place with CISCO firewalls, routers and switches. An NMS (Network Management System) monitors interfaces for uptime and availability of network infrastructure and generates triggers to facilitate immediate remedial steps. Periodical Vulnerability Assessment and Penetration Test are conducted on client specific networks. Network backbone is designed with CAT-6 cable for higher network speed and redundancy. Data center access is also controlled through bio-metric access. Backup procedures are in place for Business continuity, with a Disaster Recovery Centre at Bangalore. Log analysis of critical devices is done and a Help desk is in place to ensure availability of tech resources.

SWOT Analysis

Strengths

- The Company is one of the early entrant in financial software testing services.
- Domain focus which differentiates the Company from generic testing service providers /system integrators offering testing services.
- Ten plus years of experience in financial domain focused independent testing services
- Sub domain specific competencies centered around popular software products in respective areas.
- A well qualified and experienced technical and management team

Weaknesses

- Relatively lower contribution/exposure to Investment Banking
- Dependence on key employees
- Lack of formalized alliances and partnerships with product vendors
- Lack of presence in markets other than Europe.

Opportunities

- Replacement of legacy systems/applications with off-the-shelf products
- Addition of new banking channels such as Mobile/e-Banking
- Innovation in cards markets such as Contact less cards, Chip and Pin - Smart cards (EMV)
- Industry initiatives such as SEPA
- Growth in Middle Eastern region especially in Islamic Banking
- Opportunities to mine existing accounts by expanding width and depth of engagements

Threats

- Commoditization of testing services
- Managing scalability
- Higher competition from new entrants who are attracted by market growth
- Vendor consolidation by large global financial organizations
- Slowdown in banking and financial services industry globally
- Continued ability to attract and retain good quality people

Customer Contracts

The contracts with the customers are typically on a non-exclusive basis and mostly have terms varying from one to three years or until terminated. Several customer contracts can be renewed for further terms by mutual consent while some of them have the provision for automatic renewal. Further, the statement of work or the task order remains in force for the duration agreed in the said statement of work or the task order, although the corresponding customer contract may have expired.

In addition, under most of the customer contracts, the Company has agreed to indemnify the customers against any loss or damage arising from the breach of contract, including for the infringement of intellectual property rights in respect of the content that it had sourced and aggregated from third party content providers.

The Company has limited its liability under the indemnity in most of the contracts to the extent of the net revenue earned by it under the contract or to the extent of specific amount which is fixed under the contract. For some of the contracts, the customers have also agreed to indemnify for any loss or damage arising from any breach of the contract terms including for any infringement of intellectual property rights of the content sourced by them.

Further, under almost all the customer contracts, the Company has agreed that the ownership of the intellectual property rights in the software, hardware, deliverables or services provided to the customer during the term of the contract will vest with the customer and that the Company will not claim any right, title or interest over the same at any point in time.

Some of the Company's existing service agreements and other agreements have non-compete clauses, which restricts the Company from providing services to competitors of its existing clients or entering new markets where a business partner may already have a presence.

The Customer contracts also allow either party to terminate the contract for a variety of reasons, including for a breach of a material term or condition that is not rectified within a specified cure period. In addition, the Company is entitled to suspend the contract for non-payment. Either party is also allowed to terminate the contract without cause by giving written notice of between 28 to 180 days and without termination-related penalties.

Sales, Marketing and Business Development

The Company has a global sales infrastructure with sales offices located in London with a corporate marketing team at its Bangalore office. Business development is handled through a number of global lead generation and brand building programs suited to the specific niche served by the Company. The marketing teams interact with global analysts, media and stakeholder communities to improve the brand recognition and brand recall of the Company.

The Company's sales force is a combination of experience and consulting expertise, ideally suited for 'concept selling' involved in a niche service such as 'financial software testing'. This is supported by pre-sales teams with relevant domain/testing experience to architect the right solution for the customer. Commercial Management Group (CMG) provides commercial supports on proposals and contracts.

In an initiative to develop well honed 'all rounders', individuals with right attitude and acumen are brought from multiple disciplines into sales and marketing such that their prior experiences are leveraged in effectively bringing the Company's offering to the market place.

The company has marketing alliances and partnerships in a number of geographies for Business growth. These relationships are based on complementary strengths to generate revenues and grow the relationships.

Export obligation
While extending all the facilities and privileges administrable under the STP Scheme for the Company's units located at Type II, No.5. Dr. VSI Estate, Thiruvanmiyur, Chennai 600 041, the Company is required to export a minimum of INR 7,700.56 lakhs. The export performance of the company is in excess of the minimum export requirement.

The export performance of the Company is as under:

(Rs. In Lakhs)

Financial year	Actual Export Earnings	Minimum export obligation to be achieved (Amortized value of CG & other Outflow)	NFE Achieved
2008-09	8,513.08	3,276.88	5,236.20
2007-08	6,420.91	1,756.95	4,663.96
2006-07	5,023.01	1,526.52	3,496.50
2005-06	3,192.56	774.63	2,417.93
2004-05	1,301.91	365.58	936.33
Total	**24,451.47**	**7,700.56**	**16,750.92**

Future Prospects
From the time the Company pioneered 'offshore software testing for financial services', the industry has seen a number of trends

- Resource Augmentation in Testing
- Outsourcing of Testing Projects
- Application Testing Outsourcing
- Testing Centers of Excellence
- Assurance' Partner

As financial organizations across the globe grapple with increasing business pressures to innovate at lower costs, the potential for organizations such as Thinksoft in becoming an 'assurance' partner for these organizations is quite significant. This is evidenced in the increasing size, quality and complexity of engagements.

The increasing M&A activity in the financial sector, consolidation, Potential for right shoring, continuous product and technology innovation, interconnectivity and integration indicates bright prospects for the testing industry.

Competition
The market for IT Services is highly competitive and rapidly evolving. The Company primarily faces competition from the large Indian IT services companies as well as international technology services companies which offer broad-based services, offshore captive centers of global corporations and technology firms, offshore OPD specialists and niche OPD vendors. The Company anticipates this competition to continue to grow as the demand for these services increases and it also expects new entrants to enter the Indian markets. Clients that presently outsource a significant proportion of their IT service requirements to vendors in India may seek to reduce their dependence on one country and outsource work to other offshore destinations such as China, Russia and Eastern European countries.

Human Resources

Employee Profile

As on August 10, 2009 , the Company has a total of 523 employees. The Company provides Testing function & Domain function. Apart from the Delivery team(455) comprising of Domain & Testing groups, the Company also has its Support/foundation groups that comprise of Human Resources, Administration, Technology, Process & Quality, Resource Management Group (RMG), Training, Finance, Travel and Sales & Marketing. The Company is growing with offices in Chennai, Bangalore, London, New York, Singapore and Brussels.

The profile-wise classification of the Employees as on August 10, 2009 is as under:

Sl. No.	Department	No. of Employees
1	Testing	383
2	Domain	72
3	Marketing	25
4	*Foundation & Support Groups	43
	Total	**523**

*Foundation and support groups includes Human Resources, Administration, Process & quality, RMG, Technology, Training and travel.

Retention and Recruitment strategy

Retention of Employees

The Company gives employees the opportunity to realize the full potential of the exciting opportunities in testing and the BFSI sector. The comprehensive training is aimed at equipping the employees with the requisite skills in the areas of Test Methodology, Domain, Test Automation, Soft skills and Management. The Company gives the employees freedom to play multiple roles and diversify to different streams based on inclination and interest. Robust Performance appraisal systems, fair promotion policies, Internal job rotations, onsite opportunities & client interaction, helps the Company to retain its well trained resources. Fun at Work, Employee welfare & Motivational activities, celebrations, team outings, Rewards & Recognition programmes help retain the workforce to a great extent.

Hiring

The Company believes that employee talent is the key to its business. Hence, it spends considerable effort & attention on hiring, training and retaining the employees. Employees are hired at various levels in both Delivery & Support streams. The hiring of the Delivery stream demands talents from Testing services and BFSI sector. The Company has an internal recruitment team that concentrates on hiring the right talent for the organization. The various channels that it uses for hiring include strong employee referral policy within the organization, On/Off campus drives for Freshers, Recruitment agencies, Advertisements & Walk Ins. When it comes to recruiting from consultants or agencies, a significant time is spent with them to help them understand the requirement better by sharing Job Description templates that enables them to hunt the right talent. The Freshers Recruitment involves a considerable effort to advertise for the position, pre screen candidates, conduct Written aptitude tests, group discussions and personal interviews to get the right candidates in place. The Company`s hiring process also involves reference checks internally & through third party vendors to ensure credibility of the resource.

Training Initiatives

The Company has formed Training Academy to take care of the Training and Development programs. The Training programs of the Academy focuses on reducing cycle time of human capital enablement, Readiness of talent pool to meet the business challenges, Multiplexing hard/soft skill inventory of the employees and to create internal Certification Process called "**Samurai**".

The Core Training Team comprises Head- Training, Training Manager and two senior executives. The faculty support will be drawn from the internal resources employed in different Delivery Units for the Domain Training Programs. Apart from availing the services of the Training Department, the Academy avails the services of external consultants also for Soft Skills training Programs.

The Training Academy is responsible to enable the human capital in the organisation to maximize the ROI and place the organization as front runner in the market segment. A well defined process has been introduced in the Academy to design annual training calendar. Various Training programs have been designed in consultation with the Delivery Team, Client base and external consultants. After taking the sign off from the entire Stake holders' viz.,; the Delivery Team and the Foundation Teams (comprising Finance, Administration, Process & Quality, Technology, and Training) Sales and Marketing Team, the Training Calendar will be implemented.

The Academy has documented all the training modules in the BFSI area. Each module has a base line document on the referred topic, power point presentation, process flows of the functional specification and case studies. All the training modules will assess the individuals at the end of the training program to facilitate the Delivery Team to pick up the right person for the right job. The entire knowledgebase in the BFSI domain is kept in common space of the Intranet and is accessible to all employees at request. A process has been introduced to up date the entire set of Learning Material every 6 months. This will facilitate the knowledge workers to update the professional knowledge on a continuous basis. The Company believes on building professional competencies in soft skills and hard skills through Training.

The Academy facilitates the Knowledge Workers to build up their competency levels in three stages.

The first stage is to provide the training needs to the Entry Levels employees' through COP (Career Orientation Program) wherein extensive training is provided to the employees on the hard skills and soft skills required to fresh graduates to build up career in the fast changing software testing industry.

The second stage of the Training programs is creation of platform for Continuous Professional Development both on the soft skills front and hard skills front. On the soft skills side the Academy has designed Leadership Training modules to groom the leaders in the Organization. The prospective leaders will be facilitated to attend these programs in two business year span. On the domain area the knowledge transfer will be imparted at two levels. At the basic level, training will be provided to all employees in the areas of Banking, Financial Services, Insurance and Credit Cards. Cross functional domain orientation will be focus in these training programs which means an employee working in Credit Cards Testing will be provided with application related training in BFSI area. Similarly employee working in banking application testing will be provided with training on Credit cards. This will facilitate the readiness of the resource to move from one domain area to another domain area without any hic-ups. Along with these niche inputs in the training sessions experiential learning will be focus point in the andragogy being implemented in the Organization.

The third stage of the training will be unique Certification called Samurai. In Martial Arts, Samurai is class of Japanese Military, a well trained warrior in all the weaponry. Samurai is known for loyalty, self discipline and bravery. Samurai Certification is introduced on a pilot mode during first half of 2008. Following certain eligibility criteria, the employees will be attached to a Mentor, who is not less than a Project Manager. The mentee will be evaluated on a continuous mode by the mentor for a period of one year. The process of building up the competence in the prospective Samurai is always on the job related skills and equips them with professional knowledge required to deal with the dynamic changes of the Business Requirements. This evaluation is separate from regular appraisal process. Mentor, mentee meetings will take place on regular intervals and the MIS will be submitted by the Mentee to the Academy. The Academy will work on the feedback and provide necessary training inputs to the prospective Samurai to hone up his/her skill set. After successful competition of 12 monthly trackers the employee who is pursuing the Samurai will have to qualify in an examination conducted by the training team, post which certification will be awarded.

QUALITY

The Company is a process driven organization leading the Testing industry in the Banking Financial services and Insurance sector. With domain focused, structured testing methodologies, offshore delivery and test automation expertise, it helps clients realize 'business ready software' by compressing timelines and reducing software product life cycle costs.

ISO 9001:2000 Compliant

ISO certification verifies the Company`s compliance with international standards recognized by the Geneva-based International Organization for Standardization. ISO 9001 recognizes its quality assurance in independent software testing services to Banking, Financial Services and Insurance organizations using its proven offshore delivery model. Underwriters Laboratories Inc., Quality Registrar Bangalore, India conducted Company`s ISO certification audit.

ISO 9001:2000, provides a framework that ensures the Company independent software testing services and offerings maintain consistent quality and processes, employing best practices, and using a proven project management methodology to enhance customer satisfaction and ensure continuous improvement.

ISO 27001:2005 Compliant

The Company is also certified under the ISO 27001:2005 Certification for its information security management system from Messrs. UL India Pvt. Ltd.

The very nature of the financial sector requires Information security as a critical success factor in all deliverables, driven by regulatory stipulations and exacting standards of information security required by clients. As part of its commitment to client satisfaction, TGS had been practicing stringent security practices and this certification now confirms that the Information security practices are now compliant to International standards.

This certification attests to the rigorous implementation of the elements of IT security, in services which Company provides to its clients. This is an assurance to the customers that it provides high level services, compliant with their business requirements through controlled policies, procedures and best practices. This confirms to the market its capabilities to meet string Information Security norms.

INSURANCE

The details of the various insurance policies availed by the Company and its subsidiaries are as follows:

Sl. No.	Insurance Company	Type of Insurance	Insured	Policy No. & period of insurance	Risk Covered & Amount Insured (Rs. In Lakhs)
1	Tata AIG General Insurance Company Ltd.	Professional Liability – Technology	Thinksoft Global Services Limited	2300001377 09.05.2009 To 08.05.2010	Professional Liability Technology Products Defamation Defence. The limit of liability is Rs. 20,40,00,000 in any one event or the aggregate
2	Oriental Insurance Company Limited	Fidelity Guarantee	Thinksoft Global Services Limited	411700/48/2010/1063 22.06.2009 to 21.06.2010	5 employees covered with an overall indemnity of Rs.1,00,000/-
3	Oriental Insurance Company Limited	Money Insurance Policy	Thinksoft Global Services Limited	411700/48/2010 / 1064 22.06.2009 to 21.06.2010	1A – Money for the payment of wages, salaries and other earning or for petty cash in direct transit from the bank to the Company's premises from the time the cash is received at the bank by the Company or the authorized employee of the Company until delivered at the premises or other

					place of disbursement and while there until paid out provided that out of the business hours such cash shall be secured in locked safe room on the premises. Cheques drawn by the Company to provide for such cash are covered in transit from the premises to the bank – The limit of any one loss is Rs. 1,00,000/- 1B – Money other than described in 1A above in the personal custody of the Company or the authorized representative of the Company while in direct transit between the premises and the bank or post office. 1C – Money other than described in 1A and 1B collected by and in the personal custody of the Company or the authorized employee of the Company while in transit to the premises or bank within a period not exceeding 48 hours from the time of collection. 1D – Any other transit. The estimated total amount of money in transit per annum is Rs. 25,00,000/- Cash other than 1A above while on the

					premises during the business hours or while secured in locked safe or locked strong room on the Company's premises out of business hours against the risk of burglary, housebreaking and hold up – The limit of any one loss is Rs. 1,00,000/-
4	Apollo DKV Insurance Company Ltd.	Group Health Insurance	Thinksoft Global Services Limited	140100/12001/2008/A000311 05.12.2008 to 04.12.2009	Basic Health Cover
5	Bajaj Allianz General Insurance Company Ltd.	Group Personal Accident Policy	Thinksoft Global Services Private Limited	OG-09-1529-9902-00000092 01.10.2008 to 30.09.2009	Persons Covered – B1 Grade Employees -23 Nos. – Each Rs.2,00,000/- B2 Grade Employees – 523 Nos. – Each Rs.2,50,000/- B3 – Grade Employees – 29 Nos. – Each Rs.3,00,000/- B6 – Grade Employees – 5 Nos. – Each Rs.4,00,000/- B4 Grade Employees – 2 Nos. – Each Rs.4,00,000/- Risk Covered – Death, Permanent Total Disability, Permanent Partial Disability, Temporary Disability and Medical Expense Reimbursement.
6	Mayfair India	Group Personal Accident and Medical Expenses Insurance	Thinksoft Global Services Limited (India) for Thinksoft	NA092776 15.02.2009 To	Accidental bodily injury suffered and/or medical expenses incurred by any eligible employee of the

			Global Services Pvt. Ltd. (UK)	14.02.2010	Company as declared to Medisure, 100 Temple Street, Bristol, BS1 6EN.
7	Tata AIG General Insurance Company Ltd.	Commercial General Liability	Thinksoft Global Services Limited and its subsidiaries – Thinksoft (India) Services Pvt. Ltd. Thinksoft Global Services P Ltd., UK branch office Thinksoft Global Services Pte. – Singapore Thinksoft Global Services Inc. – USA Thinksoft Global Services (Europe) Gmbh – Germany	0300003828 28.08.2008 to 27.08.2009	Bodily injury and property damage Products/completed operations limit – Rs.25,00,00,000/- Any one occurrence and in the aggregate. Personal and Advertising injury limit – Rs. 5,00,00,000/- - Any one occurrence and in the aggregate Fire damage limit – Rs. 2,50,000 per occurrence Medical expense limit – Rs.50,000 per person General aggregate limit – Rs.23,25,00,000 – Any one occurrence and in the aggregate Employers legal liability limited to– Rs.18,60,00,000
8	Bajaj Allianz General Insurance Company Ltd.	Burglary Insurance Policy	Thinksoft Global Services Pvt. Ltd.	OG-09-1529-4010-00000380 15.09.2008 to 14.09.2009	Computer, server, furniture, fixtures, fittings, electrical fittings, electronic equipment, plant and machinery, office equipments and other items

					pertaining to the Company's trade kept in #40, Bazulla Road, T.Nagar, Chennai, SPIC House, No.88, Mount Road, Chennai, Unit No.321 and 322, the Great Eastern Galleria, Plot No.20, Mumbai, No. 264/265, 18th E Main, HAL, Bangalore and Transit House, Flat No.3, Mylapore, Chennai. The total sum insured is Rs.630.12 lakhs
9	Bajaj Allianz General Insurance Company Ltd.	All Risk Insurance Policy	Thinksoft Global Services Pvt. Ltd.	OG-09-1529-9931-00000074 15.09.2008 to 14.09.2009	Laptop - All risk policy including theft. Total sum insured is Rs.33.77 lakhs
10	Bajaj Allianz General Insurance Company Ltd.	Standard Fire and Special Perils Policy	Thinksoft Global Services Pvt. Ltd.	OG-09-1529-4001-00002313 15.09.2008 to 14.09.2009	Computer, server, furniture, fixtures, fittings, electrical fittings, electronic equipment, plant and machinery, office equipments and other items pertaining to the Company's trade kept in #40, Bazulla Road, T.Nagar, Chennai, SPIC House, No.88, Mount Road, Chennai, Unit No.321 and 322, the Great Eastern Galleria, Plot No.20, Mumbai, No. 264/265, 18th E Main, HAL, Bangalore and Transit House, Flat No.3, Mylapore, Chennai. The total

					sum insured is Rs.630.12 lakhs
11	The Hartford	Workers Compensation and Employers Liability Policy	Thinksoft Global Services Inc., a subsidiary of the Company	13 WEC II4038 01.01.2009 to 01.01.2010	Workers and employers liability
12	Tata AIG General Insurance Company Ltd,	Excess General Liability	Thinksoft Global Services Limited and its subsidiaries: Thinksoft (India) Services Pvt. Ltd. Thinksoft Global Services P Ltd., UK branch office Thinksoft Global Services Pte. – Singapore Thinksoft Global Services Inc. – USA Thinksoft Global Services (Europe) Gmbh – Germany.	0301000111 28.08.2008 to 27.08.2009	General Aggregate and Products – Completed operations aggregate - Combined single limit is US$5 million – any one event and in the aggregate. Underlyer limits – As per the TATA AIG CGL policy no. 0300003828.
13.	Norwich Union	Employer's Liability Insurance	Thinksoft Global Services (Pvt.) Ltd.	38 OSP 1429649 11.07.2009 to 10.07.2010	Employer's Liability

The Company has availed of the Employee Deposit Linked Insurance with the Life Insurance Corporation of India having policy No. 410511. In this regard, the Company has deposited an amount of Rs. 40,287/- as evidenced by the receipt bearing No. 071/G605 dated February 16, 2009 issued by the Pension and Group Schemes Department of Life Insurance Corporation of India to the Company.

Intellectual Property

Trademark:

The Company has made an application for registration of the below mentioned trade mark with Trademarks Registry, Intellectual Property Building, GST Road, Guindy, Chennai – 600032:

Sr. No.	Name of Trademark	Trademark/ Application No. and Class	Specification of Trade/Trades in respect of which used	Date of Application/Registration	Status
1.	Thinksoft Financial Software Testing Specialist	Trademark Application No: 1685573 Class: 42	Computer programming service	May 09, 2008	Pending

The grant of registration of trademark by the registrar is subject to the procedure and processes as stipulated by the Trademarks Act, 1999.

The domain name of the Company is registered in the name and style of www.thinksoftglobal.com and the same is valid till November 20, 2012.

Properties

The Company's Corporate & Registered office is located at Type II, Unit-5, Dr.Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai, Tamilnadu, India. The details of the properties held by the Company on freehold and leasehold basis are detailed below:

Sl No	Schedule of the Property	Extent	Consideration	Nature of Interest	Date and/ or term of lease	Parties
1.	Building situated at New door. No. #264/265, 18th E Main, HAL 2nd Stage, Bangalore 560 008	3600 sq. ft.	Interest free refundable security deposit of Rs. 10,00,000- and the monthly rent payable is Rs. 1,12,000/- from 1st November, 2008 to 31st October, 2009 and Rs.1,18,700 from 1st November, 2009 to 31st October, 2010.	Lease hold	Agreement dated November 01, 2006 for an initial period of 4 years up to October 31, 2010.	Mr. Unikrishnan Nambisan and the Company
2.	Building situated at Type II, Unit No.6, Dr.Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai – 600 041.	10,140 sq. ft.	Interest free refundable security deposit of Rs. 33,74,400/- along with a monthly rent of Rs. 3,37,440/-.	Lease hold (Sub lease)	The Agreement is dated August 1, 2008 for a period of 36 months	M/s. Origin Infosys Private Limited and the Company.
3.	Premises located at S-912, 9th floor, Manipal Centre, Dickenson Road, (Off M.G.Road), Bangalore – 560 042	500 sq. ft.	A monthly rent of Rs.19,800/-	Lease hold	The Agreement is dated July 1, 2008 for the period of 24 months till June 30, 2010	Mr. Asvini Kumar A V and the Company
4.	Building situated at Type – II, Unit No 5, Dr. Vikram	20,059 sq. ft.	Interest free refundable security	Lease hold (Sub lease)	The Agreement is dated October	M/s. Origin Infosys Private

Sl No	Schedule of the Property	Extent	Consideration	Nature of Interest	Date and/ or term of lease	Parties
	Sarabhai Instronics Estate, Thiruvanmiyur, Chennai 600 041		deposit of Rs. 80,23,600/- along with a monthly rent of Rs. 8,02,360/-. In addition to the above the Lessee also agrees to pay to the Lessor an amount of Rs. 15,000/- per month towards the charges for providing dining facility and cafeteria space. In addition to this the Lessee has also entered into an Agreement on Infrastructure, Amenities, Services and Service levels with the Lessor for a monthly rent of Rs.401,180/- and an interest free security deposit of Rs. 40,11,800/- only.		05, 2007, however the term of the tenancy will commence from December 01, 2007 for a period of 60 months till November 30, 2012.	Limited and The Company.
5.	Building at Flat No.3, Block-III,	2100 Sq.ft.	Refundable Interest free	Lease Hold	The Agreement is	Mrs. A K Latha,

Sl No	Schedule of the Property	Extent	Consideration	Nature of Interest	Date and/ or term of lease	Parties
	First Floor, Ananya Ashok, Door No.5, Warren Road, Mylapore, Chennai – 600 004		deposit of Rs.1,80,000/- with a monthly rental of Rs.30,000/-		dated on April 1, 2008 for the period of 24 months till March 31, 2010.	Mr.A.K.Krishna and the Company.
6.	Building on Plot No. B – 17, Phase – II, MEPZ Special Economic Zone (MEPZ-SEZ) in Survey No. 56, within the village limits of 165, Kadaperi, Tambaram in Sadiapet Taluk, Chengalpattu District	21,800 sq.ft.	Rs. 60,00,000/-	Free hold	Sale Deed dated August 08, 2008 duly registered as document no. 7288/2008	Sport Glove India Limited and the Company
7.	Plot bearing No. B – 17, Phase – II, MEPZ Special Economic Zone (MEPZ-SEZ) in Survey No. 56, within the village limits of 165, Kadaperi, Tambaram	4043 Sq. Mtrs.	Rent payable quarterly - Rs.75,806/-	License	Leave cum Agreement to Lease dated January 22, 2009 duly registered on March 12, 2009 for a term of 15 years from the date of completion of Software Testing & Allied Services building.	President of India, represented through the Development Commissioner MEPZ SEZ; and the Company
8.	Premises located H-2, Second Floor, Block- 2, Jain Sagarika, MRC Nagar, Chennai 28	1775 sq.ft.	License Fee - Rs.50,000/- per month Interest free security deposit - Rs. 5,00,000/-	Leave and License	The Agreement is dated July 22, 2009 and the term of the Agreement commences from July 22 2009 to June 21, 2010.	Mr. E. Suresh residing at No.7, 4th Main Road, Basant Nagar, Chennai – 90 and the Company

Sport Glove India Limited has issued a letter to the Company on August 08, 2008 expressing their desire to surrender the leasehold rights on the land situated at the MEPZ-SEZ. Thereafter, the development commissioner of the MEPZ-SEZ, in his proceedings Ref. Lr. No. 8/490/2003/SEZ dated August 08, 2008 had granted Sport Glove India Limited an exit order, pursuant to which, a sale deed dated August 8, 2008 was executed. The office of the development commissioner, MEPZ, SEZ in their letter dated November 16, 2007 has granted the permission to Sport Glove India Limited to transfer the super structure to Thinksoft Global Services Private Limited.

The Company in its letter dated August 22, 2008 has requested the Development Commissioner, MEPZ SEZ for an allotment of plot at MEPZ-SEZ. The MEPZ, vide letter dated November 11, 2008 bearing reference no 2/LA/283/2008-E.M issued by the Asst Development Commissioner, has allotted on a temporary basis, Plot No:B-17 in Phase II area of the MEPZ SEZ. The area of the plot is 4,043 sq.mtrs.

The rental payable for the Plot is Rs.75/- per sq.mtr per annum and the quarterly rent shall be Rs. 75,806/-.

The allotment is subject to the following conditions:

Conditions	Time Limit
Communication of unconditional acceptance of the allotment order	Within 15 days of letter. Upon, failure to communicate acceptance, the allotment shall stand automatically cancelled.
Payment of 100% of the amount payable for the Plot along with security deposit and 3 months advance rent	Within 45 days of allotment order. Upon, failure to comply, the allotment shall stand automatically cancelled.
Execution and registration of the lease deed in respect of the Plot	Within 90 days of allotment order. Upon failure to comply, the allotment shall stand cancelled and security deposit shall be forfeited.
Take possession of built up space from MEPZ	Within 30 days of allotment order.
Execute water supply agreement	On taking possession and payment of Rs.3,000 towards water connection
Payment of quarterly lease rent	Before the end of the first month of the quarter, failing which, interest will be charged at 12% p.a.
Commencement of trial/ commercial production	Within 6 months of allotment order. Upon failure to comply, the allotment shall stand cancelled and security deposit shall be forfeited.

Further, upon acceptance of the allotment the Company is required to furnish a declaration that it agrees to the cancellation of the allotment upon non-payment of rentals on time; violation of any provisions/ conditions of the lease deed, violation of the Foreign Trade Development and Regulation Act, 1992, the Customs Act, 1962

The Company has vide letter dated November 12, 2008 conveyed to the Development Commissioner, MEPZ SEZ its unconditional acceptance of the allotment order. The said letter also affirms that the Company has complied with (i) payment of 100% of the amount payable for the Plot and advance rent for one quarter; (ii) takeover of possession of built up space from MEPZ; and (iii) payment of the lease rent for the first quarter. The Company has also note to comply with the execution of the lease deed, water supply agreement and such other commitments as required. The Company has also furnished the duly executed declaration as required.

The Company was issued the Letter of Approval bearing Ref. No. 8/119/2008/SEZ dated December 11, 2007 for setting up a unit in MEPZ Special Economic Zone ('MEPZ-SEZ'), which expired on December 10, 2008. The same has been extended for another six (6) months from December 11, 2008 to June 10, 2009 as evidenced by the extension letter bearing Ref. No. 8/119/2008/SEZ dated December 16, 2008 issued by the Assistant Development Commissioner, MPEZ-SEZ to the Company. The Company has received letter of extension bearing no.8/119/2008/SEZ dated May 27, 2009 for a period of six (6) months from June 11, 2009 to December 10 2009 issued by the Assistant Development Commissioner, MPEZ-SEZ.

The Company has entered into Licence-cum-Agreement to Lease on January 22, 2009 with Development Commissioner & the said document was duly registered under registration no.1347/09 on March 12, 2009 & recorded on Book I.

Offices outside of India

Further, the following are the locations of the Company`s Subsidiaries and its Branch/representative offices outside India:

(a) Thinksoft Global Services situated in Fleet House, 8-12 New Bridge Street, London, Ec4V6AL, United Kingdom has entered into a Services agreement dated February 9, 2009 with KBC Holdings Limited for the license of the premises situated at Units 604, 605 in KBC Blackfriars Exchange, Fleet House, 8-12 New Bridge Street, London EC4V 6AL for usage of the premises till March 2010 for a monthly rental fee payable GBP 3662.75 inclusive of VAT and total first payment payable is GBP 4062.58 inclusive of VAT and in respect of Unit 606a, KBC Blackfriars Exchange, Fleet House, 8-12 New Bridge Street, London EC4V 6AL for usage of the premises till April 2010 for a monthly rental fee payable GBP 690 inclusive of VAT and total first payment payable is GBP 1,608.33 inclusive of VAT. .

(b) Thinksoft Global Services Inc. situated in 67 Spring Street, Edison NJ, 08820 has entered into an agreement with Regus Management Group LLC for hiring an office space situated at Metropark Center, 33, Wood Avenue, South – Suite 636, Iselin, NJ, 08830 for a period of 6 months commencing from October 01, 2008 to March 31, 2009 for a monthly rental of USD 1,346. The Company has renewed the said agreement for a period starting from April 1, 2009 to March 31, 2010 for a monthly rental of USD 950.

(c) The principal place of business of the Company at Hong Kong is situated at Units 3401-2, 34th Floor, AIA Towers, 183 Electric Road, North Point, Hong Kong. The said office belongs to Hongkong Managers and Secretaries Limited. The Company has paid an amount of HK$3610 towards usage of the said premises till October 31, 2009.

(d) Thinksoft Global Services (Europe) Gmbh situated at Germany is using the office premises of Law Office Closhen Kaempf Bernard & Partner situated at Strombergerstrabe 2, D-55545 Bad Kreuznach for its liaisoning purposes.

(e) Branch office of the Company situated at Belgium is using the office premises of TCLM-Interfiduciare sc scrl situated at 1180 Uccle, Chaussee de Waterloo 1151 for its liaisoning purposes vide arrangement signed between the Company and TCLM-Interfiduciare sc scrl which is undated and can be terminated with three months notice.

(f) The Company is using the office premises of Sarveen Associates Pty Ltd as its representative office for its Australia Place of Business. The premises situated at 22 Mansfield Way, Kellyville, NSW 2155, Australia.

(g) Thinksoft Global Services Pte. Limited situated at Singapore is using a cabin for a rent at office premises of Mohan BPO Services Pte Limited situated at 1, North Bridge Road, #19-04/05, High Street Centre, 19-10, Singapore – 179094 for a monthly rent of S$750 with one month rent as security deposit. The tenancy will commence from April 1, 2009 and will remain valid for a period of 12 months i.e. upto March 31, 2010.

Purchase of Property

Except as stated in "Objects of the Issue" on page 39 there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the issue contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Except as stated in this Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made there-under.

C. REGULATIONS AND POLICIES

Applicable Regulation in India

A brief summary of the relevant regulations and policies as prescribed by the Government of India and the relevant state governments that are applicable to us are as follows. Please note that the same are based on the legal provisions and the judicial interpretations as on the date hereof, which are subject to change. The regulations and policies set out below are only for general information to the investors and is neither exhaustive nor is a substitute for professional legal advice.

Information Technology Act, 2000

The Information Technology Act, 2000 ("the IT Act") was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. The IT Act regulates Information Technology i.e. it governs information storage, processing and communication. The Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cyber crimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases.

Software Technology Parks Scheme ("STP Scheme")

The STP Scheme (under The Ministry of Information Technology, Government of India) has been notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3(I) of the Foreign Trade Development and Regulation) Act, 1992 to permit the establishment of Software Technology Parks (STPs) which may be 100% Export Oriented Units undertaking software development for export using data communication links or in the form of physical media and includes export of professional services. All notified IT enabled products and services would qualify their provider for establishing a unit in and benefiting from the STP scheme. Whilst activities falling within the IT sector have not been defined by the FIPB, certain activities under ITES have been notified vide a circular dated September 26, 2000 issued by the Central Board of Direct Taxes (CBDT). The ITES activities which fall under the scope of the said circular includes, (i) Back-Office Operations (ii) Call Centers (iii) Content Development or Animation (iv) Data Processing (v) Engineering and Design (vi) Geographic Information System Services (vii) Human Resources Services (viii) Insurance Claim Processing (ix) Legal Databases (x) Medical Transcription (xi) Payroll (xii) Remote Maintenance (xiii) Revenue Accounting (xiv) Support Centres and (xv) Web-site Services.

Setting up of a STP Unit: An application is required to be made by the company desirous of setting up a unit as an STP to the Director of the STP, which approval is ordinarily granted within 15 days of such application being made subject to (a) items to be manufactured or exported are not restricted or prohibited; (b) the location is in conformity with the prescribed parameters; (c) the export obligation laid down in the STP Scheme is fulfilled; and (d) the unit is amenable to bonding by the Customs and all manufacturing operations are carried out in the same premises. The registration as an STP is location specific. The applicant company pursuant to the requirements of the STP approval would be required to execute an agreement with the Government of India agreeing to comply with conditions prescribed in the STP approval, inter alia, the export obligations and customs bonding of the premises. In order to be able to obtain the STP license, the company would require the following licenses:

(a) consent from the relevant customs department;

(b) an Importer Exporter Code from the Directorate General of Foreign Trade (in order to be able to export its services/products); and

4

Benefits under the STP Scheme: The salient features of the benefits available to a unit under the STP Scheme are:

1. All imports of hardware and software are duty free. The import of second hand goods is permitted and the re-export of capital goods is also permitted. Further, domestic purchases by the unit are eligible for the benefit of deemed exports to the equipment suppliers;
2. Sales in the domestic tariff area (DTA) are permissible up to 50% of the export in value terms;
3. No corporate income tax is payable till the year 2010;
4. The capital goods purchased from the DTA are entitled to benefits relating to the levy of excise duty and the reimbursement of central sales tax;
5. Capital invested by foreign entrepreneurs, know-how fees, royalties and dividend can freely be repatriated after payment of income taxes due on them, if any;
6. The income of these STP units can also be invested in principal companies overseas;
7. The unit is entitled to a Green Card for priority treatment for Government clearances and other services;
8. Depreciation on capital goods can be availed of above 90% over a period of five years and also the accelerated rate of 7% per quarter during the first two years subject to an overall limit of 70% in the first three years; and
9. An STP unit can import all types of goods (including capital goods) without the payment of duty for its activities or in connection therewith provided that such goods are not prohibited items of import.

Special Economic Zones Act, 2005

The Parliament has enacted the Special Economic Zone, Act, 2005 (the "SEZ Act") for the regulation and development of Special Economic Zones ("SEZ"). The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave for the purpose of industrial, tariff, service and trade operations with exemption from customs duties and a more liberal regime on levies, foreign investment and other transactions. . A Board of Approval has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The Board of Approval has a number of powers including the authority to approve proposals for the establishment of the SEZ and the operations to be carried out in the SEZ by the developer.

The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, include:-

- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units;
- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years;
- Exemption from minimum alternate tax under section 115JB of the Income Tax Act;
- External commercial borrowing by SEZ units up to US $ 500 million in a year without any maturity restriction through recognized banking channels;
- Exemption from Central Sales Tax;
- Exemption from Service Tax;
- Single window clearance for Central and State level approvals;
- Exemption from State sales tax and other levies as extended by the respective State Governments.
- Exemption from stamp duty and registration charges;
- Exemption of Central Excise Duty on procurement from the domestic market of capital goods, raw materials, consumables, spares etc.

The MEPZ SEZ also offers the many services to the units located in the MEPZ SEZ complex as well as to the EOUs located in the State of Tamil Nadu, Pondicherry and the Union Territory of Andaman & Nicobar Islands, which include the following:-

- Allotment of land and ready built sheds;
- Release of water connection and telephone connection;
- In house customs clearances such as filing of shipping bills, bills of entries, examination of goods, custom escort services wherever required;
- Endorsement in SOFTEX forms;
- Execution of lease deeds for plots and sheds allotted;
- Maintenance of roads inside MEPZ Complex, street lighting and avenue plantation;
- Round the clock security services;
- Liaison with Central, State Government and other agencies for redressing and resolving problems encountered by the EOU/EPZ Units;
- Dissemination of information about the Units and its products, directory listing on the website, forwarding of trade enquiries, distribution of awards for top performers etc. & Nicobar Islands.

The Special Economic Zone, Rules 2006 (the "SEZ Rules")

The SEZ Rules, 2006 have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a 'unit' in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on 'self certification' and the terms and conditions subject to which entrepreneur and Developer shall be entitled to exemptions, drawbacks and concessions etc.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

State Specific Benefits

In addition to the benefits offered to an ITES company under the STP Scheme, certain benefits are also available under the relevant state legislation/regulations. These benefits include rebates/waivers in relation to payments for transfer of property and registration (including for purchase/lease of premises), waiver of conversion fee for land, entry tax exemptions, labour law relaxations, exemption from state pollution control requirements and commercial usage of electricity.

Labour Laws

India has stringent labour legislation protecting the interests of employees. There is a clear distinction between (i) employees who are 'workmen' (as defined under various enactments including the Industrial Disputes Act, 1947 (the "IDA") and (ii) employees who are not 'workmen'. Workmen have been provided several benefits and are protected under various labour laws, whilst those persons who have not been classified as workmen are generally not afforded statutory benefits or protection, except in relation to bonus, provident fund and gratuity. Employees are usually subject to the terms of their employment contracts with their employer, which are regulated by the provisions of the Indian Contract Act, 1872.

A brief description of certain labour legislation applicable to the industry is set forth below:

Shops and Establishments Acts

The Company is governed by the various Shops and Establishments Acts ('Acts') as applicable in the States where it has branches. These Acts regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, interalia, registration, opening and closing hours, daily and weekly working hours, holidays, leaves, health and safety measures and wages for overtime work.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended , provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in an establishment who has worked for at least 30 working days in a year is eligible to be paid bonus. Contravention of the provisions of the Bonus Act by a company will be punishable by for imprisonment up to six months or a fine up to Rs.1,000 or both against persons in charge of, and responsible to the Company for, the conduct of the business of the Company at the time of contravention.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the "Gratuity Act"), an employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. The maximum amount of gratuity payable must not exceed Rs.350,000. An employee in a factory is said to be in 'continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault to of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

Intellectual Property

The intellectual property of the Company includes the registered intellectual property rights, including patents, trademarks and patent applications made by us in relation to various inventive products and processes and registered, as well as unregistered rights in intellectual property including copyrights in relation to software. The salient features of the legal regime governing the acquisition and protection of intellectual property in India are briefly outlined below.

Patent Protection

The Patents Act, 1970 ("Patents Act") is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programmes per se are not 'inventions' and are therefore not entitled to patent protection. This position was diluted by the Patents Amendment Ordinance, 2004 which included as patentable subject matter:

a) Technical applications of computer programs to industry; and
b) Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005 does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs per se from patent protection.

The public use or publication of an invention prior to the making of an application for a patent, may disentitle the said invention to patent protection on grounds of lack of novelty. Under the Patents Act, an invention will be regarded as having ceased to be novel (and hence unpatentable), inter alia, by the existence of:

(i) any earlier patent on such invention in any country;
(ii) prior publication of information relating to such invention;
(iii) an earlier product showing the same invention; or
(iv) a prior disclosure or use of the invention that is sought to be patented

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post–grant. The grounds for such patent opposition proceedings, inter alia, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere.

The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period.

This prohibition on foreign applications does not apply, however, to an invention for which a patent application has first been filed in a country outside India by a person resident outside India.

International Patent Protection Mechanisms

The extent of patent protection granted by any national patent law is limited to the jurisdiction of the country of registration of the said patent. Therefore, the protection of patents on an international scale ordinarily requires that patent applications be filed and granted in multiple jurisdictions. In order to avoid multiplicity of applications, mechanisms under various international treaties have evolved providing for the effective filing of simultaneous patent applications in multiple jurisdictions by filing of a single international application. The Patent Co-operation Treaty, 1970, ("PCT") creates one such mechanism whereby filing an application under the PCT results in the effective filing of a separate application in each of several designated countries under the PCT. India is a signatory to the PCT

An application under the PCT procedure is processed in two phases, i.e.:(a). an international phase wherein an international application is filed in the International

Bureau; and (b). a national phase consisting of the conversion of the application into national patent applications in designated countries.

A PCT application may be filed by a national or resident of a state which is a signatory to the PCT at the patent office of such state at the WIPO International Bureau. At the filing stage, the applicant indicates those contracting states in which he wishes his application to form an effective filing. Upon filing, the invention, which is claimed under the application, is subjected to an "international search" which is carried out by an International Searching Authority identified by the patent filing office. In the event that the international search results in any evidence of prior art, which resembles the claim being searched for, the applicant has the option to either withdraw his application, or defend the claim at the national level with each national patent office. If the application is not withdrawn, it is published in the International Bureau along with the international search report and communicated to the patent office in each designated country. Subsequently, upon the applicant electing to do so, patent applications are submitted to the national phase wherein the claimed invention is examined by the national patent offices of the designated countries for grant of the patent.

Another international treaty governing international patent protection is the Paris Convention for the Protection of Industrial Property, 1883 (the "Paris Convention"). The Paris Convention requires its member countries to guarantee to the citizens of the other countries the same rights in patent and trademark matters that it gives to its own citizens. Further, in case of patent filings in multiple jurisdictions, this treaty grants a right of priority to the applicant which means that the applicant who has filed an application in any contracting states, may apply for protection in any other contracting states within 12 months and claim priority over other applications which have been filed by other applicants during the said 12 month period.

Copyright Protection

The Copyright Act, 1957 ("Copyright Act") governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organisation.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and creates a rebuttable presumption favoring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for a 60-year period following the death of the author.

Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of copyright are all acts which expressly amount to an infringement of copyright. With respect to computer software, in addition to the above, any unauthorised sale and commercial rental of software also amount to infringement of copyright. The Copyright Act also prescribes certain fair use exceptions which permit certain acts which are otherwise considered copyright infringement. In respect of computer software, these fair use exceptions would include:

(i) the making of copies or adaptations of a computer program by the lawful possessor of a copy of such computer program in order that it may be utilised for the purposes for which it was supplied;
(ii) the right of the lawful possessor to obtain any other essential information for interoperability of an independently created computer program, if that information is not otherwise readily available;
(iii) the observation, study, or test of functioning of the computer program in order to determine the ideas and principle which underline any elements of the program while performing such acts necessary for the functions for which the computer program is supplied; and
(iv) the making of copies or adapting the computer program from a personal legally obtained copy for any non-commercial personal use.

The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizures of infringing copies. A third set of remedies are administrative or quasi judicial remedies which are prosecuted before the Registrar of Copyright to ban the import of infringing copies into India and the confiscation of infringing copies.

International Treaties for Copyright Protection

India is a signatory to the Convention of International Union for the Protection of Literary and Artistic Works (the "Berne Convention"), the Universal Copyright Convention, 1952, (the "UCC") the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights (the "TRIPS Agreement"). The TRIPS Agreement embodies a set of minimum standards that all signatories have to adhere to in respect of all forms of intellectual property protection, including copyright.

The Berne Convention requires that the signatory countries provide the same rights to foreigners from other member countries as to their own nationals and mandates automatic protection not subject to procedural formalities. It also provides for minimum substantive standards of protection, dealing with the duration of copyright and the exclusive rights which the author shall hold. While the Berne Convention does not prescribe what works are required to be protected under it, computer software has been brought under its purview by means of Article 10 of the TRIPS Agreement.

The UCC provides for similar protection, including national treatment and minimum substantive rights to be granted to copyright holders. The substantive provisions include the right of foreign national of a signatory country whose work was first published outside a signatory state to claim copyright protection in that signatory state under the UCC upon the printing of a copyright symbol and certain other information.

Trademarks

The Trade Marks Act, 1999 (the "Trademark Act") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law.

Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trade Mark Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

Industrial Designs

Industrial Designs are governed by the Designs Act, 2000 and Designs Rules 2001 and administered by the Controller General of Patents, Designs and Trade Marks.
The registration of a design confers on the registered proprietor the right to take action against third parties who apply the registered design without licence or consent. The registration is valid for 10 years from the date of application i.e. date of filing or the date of priority whichever is earlier. The period may be extended by another period of 5 years on filing an application for extension of copy right before the expiry of the said period of 10 years. Under the Designs Act, "Design" has been defined as the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or 3D or in both forms. The Design should be new and original and has not been disclosed to the public in India or any other country.

Pursuant to India becoming a member of the WTO, Paris Convention and the Patent Cooperation Treaty (PCT), any of the member countries can claim priority rights in respect of Designs.

Trade Secrets and Confidential Information

In India, trade secrets and confidential information enjoy no special statutory protection and are protected under Common Law.

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property, including, among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of the execution of documents affecting the transfer of an interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

The Indian Stamp Act, 1899

Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

The Income Tax Act, 1961

In addition to prescribing regulations for computation of tax liability on income, the Income Tax Act provides that any company deducting tax must apply to the assessing officer for the allotment of a tax deduction account number. Furthermore, the legislation requires every taxpayer to apply to the assessing officer for a permanent account number.

Foreign Investment

100% foreign investment is permissible under the automatic route in the information technology sector, provided that the foreign investor satisfies and complies with the requirements as specified in the Foreign Exchange Management Act, 1999 and the relevant Rules and Regulations framed there under and the various notifications and press notes issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. Pursuant to any foreign investment, a company would be required to make filings with the Reserve Bank of India and the authorized dealer informing them of the foreign investment and the allotment of shares of the company.

D. HISTORY AND CERTAIN CORPORATE MATTERS

The Company was incorporated on June 8, 1998 under the Companies Act, 1956 as a private limited company under the name and style of Relliant Global Services (India) Private Limited with the Company Number being 08/23821 and having its registered office in Karnataka. Subsequently it changed its name to Thinksoft Global Services Private Limited on December 17, 1999. Further, the Company changed its registered office from the state of Karnataka to the state of Tamil Nadu and a Fresh Certificate of Incorporation Consequent on Change of registered office address was issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands, on February 26, 2008. The status of the Company was changed to a public limited company by a special resolution of the members passed at an Extra-Ordinary General Meeting held on July 22, 2008. The fresh certificate of incorporation consequent on change of name was granted to the Company on August 19, 2008 by the Registrar of Companies, Tamil Nadu, Chennai, Andaman & Nicobar Islands.

The Company is primarily engaged in software testing services focusing on Banking, Financial and Insurance services industry. It has developed sub-domain specific competencies centered on popular software products in respective areas. To cater to the distinct needs of its customers, the Company has configured its range of services capabilities in the area of testing and business requirements assurance such as functional testing, performance testing, etc. Some of the customized products that the Company has developed for its clients are Finacle, Bancs 24, and Siebel etc." in place of "The Company is primarily engaged in software testing services focusing on banking, financial and insurance services industry.

There are no changes in the business of the Company, including discontinuance of lines of business, during the last five years, which may have had a material effect on the profits of the Company.

Key Events and Milestones:

Year	Event
1998	The strength of the unique business model - "Independent financial software testing and business requirements assurance" encourages the founders to incorporate the company as a Private limited company in India.
1998	Citigroup engages Thinksoft for independent software testing and business requirements assurance services for a global project.
2000	More global banks select Thinksoft as their testing partner
2000	Euro Indo Investments becomes an Investor in Thinksoft
2001	Thinksoft opened UK branch and a subsidiary in Singapore
2002	Thinksoft received ISO 9001:2000 certification from KPMG Quality Registrar specifically for "Offshore software testing for Banking, Financial services and Insurance organisations"
2002	Thinksoft opened subsidiary in USA
2003	Thinksoft selected as a Global testing partner for one of the world's largest financial services organizations
2003	Expanded office network in London, Chennai and Mumbai
2003	Received order for testing one of the largest core banking implementations in the world

2004	National Stock Exchange IT and Thinksoft announce strategic partnership
2005	Thinksoft and Bhratathidasan Institute of Management(BIM) announce software testing course
2005	Thinksoft opened subsidiary in Germany
2006	Thinksoft wins signature clients in new geographies, opens subsidiary in Germany
2007	Ranked by Deloitte as the 20th fastest growing technology company in India (Deloitte Fast 50) and 168th fastest growing in Asia Pacific (Deloitte Fast 500) for the year 2006
2007	Company received ISO 27001:2000 Certification from Underwriter Labs, USA.
2007	Company opened place of establishment in Hong Kong.
2008	Ranked by Deloitte among the 50 fastest growing technology companies in India (Deloitte fast 50) and among the 500 fastest growing in Asia Pacific for 2007 (Deloitte Fast 500)
2008	Company opened branch office in Belgium
2009	Ranked by Deloitte among the 500 fastest growing in Asia Pacific for 2008 (Deloitte Fast 500)

Main Objects of the Company

The main objects contained in the Memorandum of Association are:

1. To manufacture, process, produce, test, certify, review, purchase, sell or otherwise transfer, lease, import, export, hire, license, use, dispose of, operate, fabricate, construct, distribute, assemble, design, charter, acquire, market, recondition, work upon or otherwise, generally deal in any or all types of data communications, productions or telecommunications including but not limited to computer software and programs in any form, documentations, installation programs, software prototypes and programs products of any and all description.

2. To provide consultancy services related to the preparation, design, testing, certification and enhancement and maintenance of accounting, statistical, scientific or mathematical information and reports, data processing, programming, collecting, storing, processing and transmitting information and data of every kind and description including systems analysis and machine services for solving or aiding commercial, industrial, scientific and research problems and for all other related business.
3. To carry on all or any of the business of suppliers, distributors, converters, carriers, stores, processors and importers and exporters of any raw materials or any products or by products derived from any such business under conditions of direct ownership or through its associates, franchise, or subsidiary companies.

The main objects clause, the objects incidental or ancillary to the main objects of the Memorandum of Association enable to undertake the existing activities and the activities for which the funds are being raised through this Issue.

Changes in Memorandum of Association

Date of Alteration	Nature of Alteration
September 30, 1999	The name of the Company from Relliant Global Services (India) Private Limited to Thinksoft Global Services Private Limited.
April 19, 2001	Increase in Authorised Capital from Rs. 50 lakhs to Rs. 800 lakhs
September 21, 2007	Shifting of Registered Office of the Company from the State of Karnataka to the State of Tamilnadu.
January 07, 2008	Increase in Authorised Capital from Rs. 800 lakhs to Rs. 1200 lakhs
July 22, 2008	The name of the Company was changed to Thinksoft Global Services Limited consequent to conversion into a public limited company.

Changes in the Registered Office

The table below shows the change in the Registered Office of the Company since Incorporation:-

Previous Address	New Address	Reason of Change	Date of Change
S-912, Manipal Centre Dickenson Road, Bangalore – 560042	Type II, No.6, Dr.Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai – 600 041	Operational Convenience	February 26, 2008

Subsidiary Companies:-
The Company has following Subsidiaries**.**

a. Thinksoft Global Services Pte. Limited.
b. Thinksoft (India) Services Private Limited.
c. Thinksoft Global Services, Inc.
d. Thinksoft Global Services (Europe) GmbH.

a. Thinksoft Global Services Pte Limited ("TGLP")

Thinksoft Global Services Pte Limited was incorporated on November 21, 2001 with Company Registration No: 200107523G. It has its registered office at 1, North Bridge Road, #19-04/05, High Street Centre, Singapore – 179094 under the laws of Singapore as a Private Company limited by share. TGLP is Wholly Owned Subsidiary of the Company. TGLP carries on business of testing, certifying, reviewing, developing, purchasing, selling or otherwise generally deal in any or all types of data communication, production or telecommunication including but not limited to computer software and programs in any form, documentation, installation programs, software prototype and program of any and all description.

Business Activity

Company is in the business of Software Testing and Allied Services.

Board of Directors of TGLP Comprises:-

Mr. Asvini Kumar A V,
Ms. Vanaja Arvind
Mr. Vangal Rangarajan Ranganathan.

Shareholding Pattern

TGLP is a 100% wholly owned Subsidiary of the Company.

Summary Audited Financials for last three financial years

(**Rs. In Lakhs)**

Particulars	**FY-2008-09**	**FY-2007-08**	**FY-2006-07**
Paid up Capital	26.58	26.58	26.58
Reserves & Surplus	299.97	244.64	190.89
Net Worth	326.55	271.22	217.47
Total Revenues	106.24	382.49	612.33
Total Expenditure	50.90	328.74	472.25
Net Profit / (Loss)	55.34	53.75	140.08
EPS (In Rs.)	55.34	53.75	140.08
NAV (Book Value per share) (In Rs.)	326.55	271.22	217.47

Litigation

There are no litigations pending by or against TGLP. Further, no notices were issued against TGLP.

Thinksoft (India) Services Private Limited *("TSPL")*

Thinksoft (India) Services Private Limited was incorporated on April 17, 2001 with Corporate identification Number (CIN): U72900TN2001PTC46972. It has its registered office at Old.no.28, New no.25, Tilak Street, T.Nagar, Chennai-600017 under the Companies Act, 1956 as a Private Company limited by shares. TSPL is wholly owned subsidiary of Thinksoft Global Services Limited. TSLP carries on business of develop, process, testing, certifying, reviewing, purchasing, selling or otherwise transfer, lease, import, export, hire, license, use, dispose of, operate, fabricate, construct, distribute, assemble, design, charter, market, recondition. Work upon or otherwise, generally deal in any or all types of data communication, production or telecommunication including but not limited to computer software and programs in any form, documentation, installation programs, software prototype and program products.

Business Activity

Company is in the business of Software Testing and Allied Services.

Shareholding Pattern

TSPL is a 100% wholly owned subsidiary of the Company.

Name of the Shareholder	No. of shares	(Amount in Rs.)
Mr. Asvini Kumar A V #	100	1000
Mrs. Vanaja Arvind #	100	1000
Thinksoft Global Services Limited	9,800	98,000
Total	**10,000**	**1,00,000**

#they are holding shares of TSPL on behalf of Thinksoft Global Services Limited as nominee.

Board of Directors

Ms. Vanaja Arvind and
Mr. Asvini Kumar A V

Summary Audited Financials for last three financial years

(Rs. In Lakhs)

Particulars	FY-2008-09	FY-2007-08	FY-2006-07
Paid up Capital	1.00	1.00	1.00
Reserves & Surplus	12.93	13.73	14.92
Net Worth	13.93	14.73	15.92
Total Revenues	-	0.05	6.73
Total Expenditure*	0.80	1.24	7.61
Net Profit / (Loss)	(0.80)	(1.19)	(0.88)
EPS (in Rs.)	(8.00)	(11.90)	(8.80)
NAV (Book Value per share) (in Rs.)	139.29	147.28	159.19

* Previous year figures are also considered

Thinksoft (India) Services Private Limited has initiated proceedings for voluntary winding up. The Board of Directors of TSPL had at its meeting of December 1, 2007 made a declaration of solvency pursuant to Section 488 of the Companies Act, 1956. The Company has submitted form 62 with the RoC appending the declaration of solvency (in accordance with Rule 149 of the Companies (Court) Rules); an affidavit supporting the declaration; and the latest audit report of the Company as at 30th September 2007.

Thereafter, the members of the Company in its EGM dated December 26, 2007 resolved that having regard to the declaration of solvency dated December 1, 2007 made by the e Board of Directors of the Company under Section 488 of the Companies Act, 1956, stating the Company has no debts, the Company be wound up voluntarily pursuant to Section 484(1)(b) of the Companies Act, 1956. The members also appointed official liquidator. The matter is under process.

Litigation

There are no litigations pending by or against TSPL. Further, no notices were issued against TSPL.

Thinksoft Global Services, Inc ("TGS.,Inc)

Thinksoft Global Services Inc was incorporated on April 29, 2002 under the laws of State of Delaware, USA. TGS.,Inc is a wholly owned subsidiary of the Company.

TGS., Inc is a software service firm that primarily provides software validation and verification services to the banking and financial institutions located in the America.

Registered Office of TGS.,Inc is at**:**
No.33 Wood Avenue South
Metro Park Centre
Suite Centre, Iselin,
NJ 08830, USA

Business Activity

Company is in the business of Software Testing and Allied Services.

Board of Directors:

Name	Designation
Asvini Kumar A V	Director & President
Vanaja Arvind	Director

Shareholding Pattern
TGS.,Inc is a 100% wholly owned subsidiary of the Company.

Summary Audited Financials for last three financial years

(Rs. In lakhs)

Particulars	FY-2008-09	FY-2007-08	FY-2006-07
Paid up Capital	46.25	46.25	46.25
Reserves & Surplus	14.22	8.58	9.61
Net Worth	60.47	54.83	55.86
Total Revenues	261.10	189.96	21.72
Total Expenditure	254.88	190.99	21.87
Net Profit / (Loss)	5.64	(1.03)	(0.15)
EPS (in Rs.)	188.00	(34.33)	(5.00)
NAV (Book Value per share) (in Rs.)	2015.55	1827.66	1862.00

Litigation

There are no litigations pending by or against TGS.,Inc. Further, no notices were issued against TGS.,Inc.

Thinksoft Global Services (Europe) GmbH (TGSE)

Thinksoft Global Services (Europe) GmbH was incorporated on November 3, 2005 registered under Trade Register, Division B, No. 20071. Thinksoft Global Services Europe) GmbH is a wholly owned subsidiary of the company. Thinksoft Global Services (Europe) GmbH is engaged in providing Computer, hardware and software.

The Registered Office of The Registered Office of Thinksoft Global Services (Europe) GmbH :

Bad Kreuznach, German

Business Activity

Company is in the business of Software Testing and Allied Services.

Board of Directors
Ms.Vanaja Arvind, Managing Director

Shareholding Pattern

Thinksoft Global Services GmbH is a 100% wholly owned Subsidiary of the Company.

Summary Audited Financials for last three financial years

(Rs. In lakhs)

	FY-2008-09	**FY-2007-08**	**FY-2006-07**
Paid up Capital	27.15	27.15	27.15
Reserves & Surplus	(7.15)	(8.15)	(4.23)
Net Worth	20.00	18.99	22.92
Total Revenues	22.68	--	--
Total Expenditure	21.67	3.92	1.26
Net Profit / (Loss)	1.00	(3.92)	(1.26)
EPS (in Rs.)	--	--	--

Litigation

There are no litigations pending by or against Thinksoft Global Services GmbH. Further, no notices were issued against Thinksoft Global Services GmbH.

Shareholders agreements
The Company had previously entered into the following agreements Euro Indo Investments.

a. Shareholders agreement dated April 2, 2000
b. Supplementary shareholders agreement dated December 4, 2000 amended on January 9, 2001
c. Modification to Shareholders agreement and supplementary shareholders agreement dated July 23, 2003 and
d. Supplementary Shareholders agreement dated September 10, 2007

However, all parties to the above agreements have executed a Termination Agreement dated September 25, 2008 pursuant to which the prior shareholder agreements and all rights and obligations arising there-under stand terminated. Presently, there are no shareholding agreements or agreements relating to voting arrangements that are subsisting.

Other Agreements

The Company has entered into the following agreements with its subsidiaries. The salient features of these agreements are as under:

1. Professional Services Supplementary Agreement between the Company and Thinksoft Global Services Inc. USA

The Company has executed this Professional Services Supplementary Agreement with Thinksoft Global Services Inc. USA on April 1, 2008 to extend the term of the Professional Services Agreement dated April 1, 2005 which expired on March 31, 2008 ('Original Agreement').

Term – Valid upto March 31, 2010.

Other terms under the Original Agreement which is mutatis mutandis applicable to this agreement are detailed here in below-

The Original Agreement was entered into to provide inter alia the professional services relating to the operations of Thinksoft USA by providing specialists through secondment of its employees to Thinksoft USA.

Termination

In the event of either party committing a breach of the terms of the agreement, the non-defaulting party has the right to terminate the agreement provided the defaulting party is given the notice of 30 days of alleged breach and afford the defaulting party to remedy such breach within 30 days. In the event the defaulting party fails to remedy the breach within 30 days' notice period, the non-defaulting party has the right to terminate the agreement.

Either party may terminate the agreement for convenience by giving 45 days' written notice.

Dispute Resolution

Any dispute arising out of the agreement shall be resolved in good faith, failing which the parties are entitled to refer the dispute for arbitration to be conducted at Chennai in accordance with the Arbitration and Conciliation Act, 1996. The panel of arbitrators shall one each appointed by each party and the third chosen by the appointed two arbitrators. The language of the arbitration shall be English.

Governing Law

The agreement shall be governed by the laws of India and the court exercising appropriate jurisdiction.

2. Professional Services Supplementary Agreement between the Company and Thinksoft Global Services Pte. Ltd., Singapore

The Company has executed this Professional Services Supplementary Agreement with Thinksoft Global Services Pte., Ltd. Singapore on June 1, 2008 to extend the term of the Professional Services Agreement dated June 1, 2006 which expired on May 31, 2008 ('Original Agreement').

Term – Valid upto May 31, 2010.
Other terms under the Original Agreement which is mutatis mutandis applicable to this agreement are detailed herein below-

The Original Agreement was entered into to provide inter alia the professional services relating to the testing services of Thinksoft Singapore by providing specialists through deputation of its employees/consultants, either outside or offshore for Thinksoft Singapore specified projects/services.

Termination
In the event of either party committing a breach of the terms of the agreement, the non-defaulting party has the right to terminate the agreement provided the defaulting party is given the notice of 30 days of alleged breach and afford the defaulting party to remedy such breach within 30 days. In the event the defaulting party fails to remedy the breach within 30 days' notice period, the non-defaulting party has the right to terminate the agreement.

Either party may terminate the agreement for convenience by giving 45 days' written notice.

Dispute Resolution
Any dispute arising out of the agreement shall be resolved in good faith, failing which the parties are entitled to refer the dispute for arbitration to be conducted at Chennai in accordance with the Arbitration and Conciliation Act, 1996. The panel of arbitrators shall one each appointed by each party and the third chosen by the appointed two arbitrators. The language of the arbitration shall be English.

Governing Law
The agreement shall be governed by the laws of Singapore and the court exercising appropriate jurisdiction.

3. Professional Services Supplementary Agreement between the Company and Thinksoft Global Services Ltd., UK

The Company has executed this Professional Services Supplementary Agreement with Thinksoft Global Services Ltd., UK on April 1, 2008 to extend the term of the Professional Services Agreement dated April 1, 2005 which expired on March 31, 2008 ('Original Agreement').

Term – Valid upto March 31, 2010.

Other terms under the Original Agreement which is mutatis mutandis applicable to this agreement are detailed hereinbelow-

The Original Agreement was entered into to avail of the professional services relating to the operations of the Company from Thinksoft UK by providing Thinksoft UK specialists through secondment of its employees to the Company.

Termination

In the event of either party committing a breach of the terms of the agreement, the non-defaulting party has the right to terminate the agreement provided the defaulting party is given the notice of 30 days of alleged breach and afford the defaulting party to remedy such breach within 30 days. In the event the defaulting party fails to remedy the breach within 30 days' notice period, the non-defaulting party has the right to terminate the agreement.

Either party may terminate the agreement for convenience by giving 45 days' written notice.

Dispute Resolution

Any dispute arising out of the agreement shall be resolved in good faith, failing which the parties are entitled to refer the dispute for arbitration to be conducted at Chennai in accordance with the Arbitration and Conciliation Act, 1996. The panel of arbitrators shall one each appointed by each party and the third chosen by the appointed two arbitrators. The language of the arbitration shall be English.

Governing Law

The agreement shall be governed by the laws of UK and the court exercising appropriate jurisdiction.

4. Facilities and Service Support Agreement between the Company and Thinksoft Global Services Pvt. Ltd., Australia

The Company has executed the Facilities and Service Support Agreement dated August 2, 2007 with Thinksoft Global Services Pvt. Ltd., Australia ('TGSPLA') for the purpose of providing the facilities, corporate support, marketing support, accounting support and other support services of the Company and also their assistance in the selection and recruitment of personnel from India for employment in Australia.

Term

The Agreement shall be in force from April 1, 2007 to March 31, 2010.

Termination

Either party may terminate forthwith if the other party commits any breach of the Agreement or by giving 30 days written notice, specifying the date of termination.

Commercials

TGSPLA has agreed to pay a consolidate fee of AUD 20,000 p.a. for the financial year 2007-08 and expenses at actuals. The fee for the remaining period will be reviewed every year.

Dispute Resolution
Any dispute arising of this Agreement shall be referred to arbitration to be conducted in accordance with the Arbitration Rules of Australia. The language of arbitration shall be English.

Governing Law
The Agreement shall be governed by the laws of Australia.

5. Facilities and Service Support Agreement between the Company and Thinksoft Global Services Pte. Ltd., Singapore

The Company has executed the Facilities and Service Support Agreement dated August 2, 2007 with Thinksoft Global Services Pte. Ltd., Singapore ('TGSPLS') for the purpose of providing the facilities, corporate support, marketing support, accounting support and other support services of the Company and also their assistance in the selection and recruitment of personnel from India for employment in Singapore.

Term
The Agreement shall be in force from April 1, 2007 to March 31, 2010.

Termination
Either party may terminate forthwith if the other party commits any breach of the Agreement or by giving 30 days written notice, specifying the date of termination.

Commercials
TGSPLS has agreed to pay a consolidate fee of SGD 10,000 p.m. for the financial year 2007-08 and expenses at actuals. The fee for the remaining period will be reviewed every year.

Dispute Resolution
Any dispute arising of this Agreement shall be referred to arbitration to be conducted in accordance with the Arbitration Rules of Singapore International Arbitration Centre. The language of arbitration shall be English.

Governing Law
The Agreement shall be governed by the laws of Republic of Singapore.

The Company vide supplement agreement dated 29th September 2008 has agreed for consolidate fee of SGD 2,000 p.m. for the FY 2008-09.

6. Facilities and Service Support Agreement between the Company and Thinksoft Global Services Inc. United State of America

The Company has executed the Facilities and Service Support Agreement dated April 2, 2007 with Thinksoft Global Services Inc., United State of America ('TGSIUSA') for the purpose of providing the facilities, corporate support, marketing support, accounting support and other support services of the Company and also their assistance in the selection and recruitment of personnel from India for employment in USA.

Term
The Agreement shall be in force from April 1, 2007 to March 31, 2010.

Termination
Either party may terminate forthwith if the other party commits any breach of the Agreement or by giving 30 days written notice, specifying the date of termination.

Commercials
TGSIUSA has agreed to pay a consolidate fee of USD 1,500 p.m. for the financial year 2007-08 and expenses at actuals. The fee for the remaining period will be reviewed every year.

Dispute Resolution
Any dispute arising of this Agreement shall be referred to arbitration to be conducted in accordance with the Arbitration Rules of the United State of America. The language of arbitration shall be English.

Governing Law
The Agreement shall be governed by the laws of the United State of America.

7. Agreement between the Company and Thinksoft (India) Services Pvt. Ltd.
The Company has executed the Agreement dated June 9, 2004 with Thinksoft (India) Services Pvt. Ltd. ('Subsidiary') for the purpose of recording the software testing and consultancy services provided to each other for the period April 2003 to March 2004.

The parties have decided
i) to utilize the services of the employees on free of cost basis;
ii) to waive off Rs. 60,45,035 in the Company books and Rs. 92,36,293 in the Subsidiary's books;
iii) that the Subsidiary in future will not recover Rs. 31,91,258 being the net amount payable by the Company.

Strategic partners
The Company has no Strategic Partners.

Financial Partners
The Company has not entered into any financial partner agreements.

E. MANAGEMENT

Board of Directors

Under the Articles of Association the Company is required to have not less than 3 Directors and not more than twelve directors. Currently the Company has 6 Directors on the Board.

The following table sets forth details regarding the Board of Directors as on the date of Red Herring Prospectus:-

Name, Designation, Address, Occupation and DIN	Age (Years)	Date of appointment and tenure	Other Directorship
Mr. Asvini Kumar A V S/o A.V.Venkata Subbu Managing Director 472,12th Main, I A Cross, Koramangala, 4th Block, Bangalore – 560 034 Occupation: Service DIN: 00240658	55	17.09.2008 with effective from 01.04.2008 for the period of five years (Originally appointed as a Director on 08.06.1998).	• Thinksoft (India) Services Private Limited. • Thinksoft Global Services Pte. Limited • Thinksoft Global Services Inc • Virtus Advisory Services Private Limited.
Mr. C.N.Madhusudan S/o C N Narasimha Murthy Director 5325, Harrowood Lane, Atlanta Georgia – 30327 USA Occupation: Service DIN: 02341987 Independent Director	49	17.09.2008 upto 2011 AGM	• VectorSpan Inc
Mr.K.Kumar S/o Venkatssubramanian Kothandaraman Director A 104, Sterling Sharada Nivas 15th Cross, 6th Main, Indiranagar, 2nd Stage, Bangalore – 560038.	51	17.09.2008 upto 2010 AGM	Nil

Occupation: Professor DIN: 02343860 Independent Director			
Mr. Mohan Parvatikar S/o Mr. R R Parvatikar Wholetime Director 31, Viram Apartments 32, 4th Main, Malleswaram, Bangalore - 560003 Occupation: Business DIN: 00235941 Whole-time Director	53	August 28, 2009 with effect from August 1, 2009 for a period of 5 years (Originally appointed as Director on 26.03.2000)	• Tetrarch Equity Research and Analysis (P) Limited • Virtus Advisory Services Private Limited
Dr. S.Rajagopalan S/o Rangaswami Santhanagopalan Director 82/1F, Kinatukara Building 4th Main Road, Malleswaram, Bangalore Occupation : Professor DIN : 01584674 Independent Director	53	17.09.2008 upto 2012 AGM	• Spatial Data Private Limited • Sustain Tech India Private Limited • IITB Innovation Centre (Section 25 Company)
Ms.Vanaja Arvind W/o Mr. S. Arvind Executive Director No.23, Judge Jumbulingam Road Mylapore, Chennai -600004 Occupation : Service DIN: 00325186	61	17.09.2008 with effective from 01.04.2008 for the period of five years (Originally appointed as Director on 26.03.2000). 7	• Thinksoft (India) Services Private Limited. • Thinksoft Global Services Pte. Limited • Thinksoft Global Services Inc • Thinksoft Global Services (Europe) GmbH • Wholistic Breads Private Limited

Brief Profile of Managing director and Executive Director

For a brief profile of Managing director, Executive Director and Wholetime Director Mr. Asvini Kumar A V, Ms. Vanaja Arvind and Mr.Mohan Parvatikar, please refer to the section titled "Introduction" beginning on page 1 of this Red Herring Prospectus.

Brief profile of others Directors

- **Mr. C.N. Madhusudan** aged 49 is a Non-Executive and Independent Director of the Company. He is a Bachelor of Science from St. Joseph's College, Bangalore and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He is an accomplished executive with over 25 years of experience in setting up, acquiring and operating businesses in Europe, India and USA. His expertise areas include launching new businesses, turnaround management, outsourcing, strategic investments and mergers and acquisitions. He is the founder and CEO of VectorSpan Inc., an enterprise that enables companies to develop and implement their growth/exit strategy, engineer inorganic growth and make integration and cross border transactions. He held key roles at NIIT including oversight of Bangalore and Mumbai operations, leadership of HR, IS and Corporate planning groups, President & COO of US operations and President of NIIT Ventures.

- **Mr. K.Kumar** aged 51 is a Non-Executive and Independent Director of the Company. Kumar holds a Bachelor's degree in Electrical & Electronics Engineering (Madurai Kamaraj University) which he followed up earning both the PGDM and Fellowship (Doctoral level) qualifications from the Indian Institute of Management, Bangalore (IIM-B). In his current role as a Professor of Entrepreneurship and Chairperson of the NS Raghavan Centre for Entrepreneurial Learning (NSRCEL) at Indian Institute of Management Bangalore (IIM-B) , he works closely with many start ups and growth seeking businesses. Kumar has over two decades of experience as a corporate manager, consultant, entrepreneur and academic. His corporate experience includes a Consulting role at TCS (1991-95) and as CEO(1995-2001) and President (2005-2006) of Trigent Software Ltd.

- **Dr. S. Rajagopalan** aged 53 is a Non-Executive and Independent Director of the Company. He is Bachelor of Technology (B.Tech) in Chemical Engineering from Indian Institute of Technology, Delhi, Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and he has earned Doctorate titled "Innovations in Multi Organisational Settings" from Indian Institute of Technology, Kanpur. He was the Chief Executive Officer of the Karnataka State Council for Science and Technology for 14 years and also was founder and Chairman of Technology Informatics Design Endeavour (TIDE), a non-profit organization. He was awarded the Ashoka Fellowship in the year 1984, Fellow of the Salzburg Seminar in 1999, and finalist of Social Entrepreneur of India award of year in year 2006. Dr.S Rajagopalan was elected as one of the 50 pioneers of change by India Today Magazine in the year 2008. Currently, he is a professor at the International Institute of Information Technology, Bangalore.

Borrowing Powers of the Board

Pursuant to a resolution passed by the shareholders at an Extra Ordinary General Meeting held on September 17, 2008 in accordance with provisions of the Companies Act, the Board has been authorized to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company shall not exceed, at any time, a sum of Rs. 10000 lakhs.

As on the date of filing this Red Herring Prospectus, the overall borrowings of the Company do not exceed the overall limit as specified under Section 293 (1) (d) of the Companies Act, 1956.

Corporate Governance

The Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with the stakeholders, emphasis on communication and transparent reporting. These vital initiatives extend beyond mandatory corporate governance requirements and are in accordance with its aim of establishing voluntary best practices for good Corporate Governance.

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to Corporate Governance and the SEBI Guidelines in respect of Corporate Governance will be applicable to the Company at the time of seeking in-principle approval from the Stock Exchanges. The Company undertakes to adopt the Corporate Governance code as per clause 49 of the listing agreement to be entered into with the Stock Exchanges prior to the listing of its equity shares. The Company has already complied with such provisions with respect to constitution of the various Board Committees viz., the Audit Committee, Shareholders/Investor Grievance and Remuneration Committee.

The Board has 6 Directors of which 3 are independent in accordance with the requirements of clause 49 of the listing agreement entered into with the Stock Exchanges. The Constitution is as follows:

Sl No	Name of the Director	Designation	Category
1	Mr. Asvini Kumar A V	Chairman & Managing Director	Executive
2	Mr. C.N.Madhusudan	Director	Independent
3	Mr. K.Kumar	Director	Independent
4	Mr. Mohan Parvatikar	Wholetime Director	Executive
5	Dr. S. Rajagopalan	Director	Independent
6	Ms. Vanaja Arvind	Executive Director	Executive

Committees of the Board

The Company has constituted the following committees of the Board of Directors for compliance with Corporate Governance requirements vide Resolution of the Board of Directors of Company in their meeting held on 17th September 2008:

(a) Audit Committee;
(b) Remuneration Committee
(c) Shareholders'/ Investors' Grievance Committee

Audit Committee

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

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Review with management of the annual financial statements before submission to the Board, focusing primarily on:
  - any changes in accounting policies and practices;
  - major accounting entries based on exercise of judgment by management;
  - qualifications in draft audit report;
  - significant adjustments arising out of audit;
  - the going concern assumption;
  - compliance with accounting standards;
  - any related party transactions as per Accounting Standard 18;
  - Compliance with stock exchange and legal requirements concerning financial statements (upon listing of shares);
  - Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter

Remuneration Committee

The Remuneration committee was originally constituted on September 17, 2008 and re-constituted by the Board of Directors at their meeting held on July 23, 2009.

The re-constituted Remuneration Committee comprises following members -

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

The broad terms of reference of the Committee are:

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

Shareholders'/ Investors' Grievance Committee

The shareholders/Investors Grievance committee was originally constituted on September 17, 2008 and re-constituted by the Board of Directors at their meeting held on July 23, 2009.

The re-constituted Committee comprises following members -

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

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

Other Committees

Share Transfer Committee

The Company had formed the Share Transfer Committee vide Resolution of the Board of Director dated 12th September 2008. The Share Transfer Committee comprises following members -

Name of the Director	Status
Mr. Asvini Kumar A V	Chairman
Ms. Vanaja Arvind	Member
Mr. Mohan Parvatikar	Member

The share transfer committee shall consider and approve share transfer / transmissions, re-materialisation, issue of duplicate share certificates and other related activities.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges. It shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 prior to listing of its Equity Shares.

Interests of Directors

All Directors of the Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, commission, reimbursement of expenses payable to them. The Directors are interested to the extent of remuneration/commission paid to them for services rendered by them as officers or employees of the Company.

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them as disclosed above or that may be subscribed by and allotted to them and to companies and firms in which they are interested as directors/members/partners.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by them with any company in which they hold directorships or any partnership firm in which they are partners.

None of the Directors have any interest:

(i) in the promotion of the Company, save and except for the Promoters of the Company,
(ii) in any property acquired by the Company within two years of the date of this Red Herring Prospectus or proposed to be acquired by it, save and except the lease rentals received from the Company for using the following properties:
   a. Premises located at S-912, 9th Floor, Manipal Centre, Dickenson Road, (Off M.G.Road), Bangalore – 560 042 leased by Mr. Asvini Kumar A.V. in favour of the Company *vide* lease agreement July 1, 2008; and
   b. Building at Flat No.3, Block-III, First Floor, Ananya Ashok, Door No.5, Warren Road, Mylapore, Chennai – 600 004 leased by Ms. A.K. Latha (wife of Mr. Asvini Kumar A.V.) and Mr. A.K. Krishna (son of Mr. Asvini Kumar A.V.) in favour of the Company *vide* lease deed dated April 1, 2008
(iii) Mr. Mohan Parvatikar is interested to the extent of commission received/receivable from the Company, as disclosed under the section "Financial Statements" appearing on page 156 of this Red Herring Prospectus.

The interests of Promoters are detailed under the head "Interest of Promoters" at page 150 of this Red Herring Prospectus.

Details of appointment of the Managing Director/Executive Director and the compensation payable:-

Name	**Mr. Asvini Kumar A V**
Designation	Managing Director
Date of Re-appointment	September 17, 2008 w.e.f. April 1, 2008
Period	5 years
Salary	Rs. 60 lakhs per annum
Perquisites	• Medical insurance as per the Policies of the Company • Company Car for official duties • Club fees • Phone and communication facilities at residence • Leave travel for self and family • Fare Entitlements, hotel accommodation, per diem and other entitlements / allowances will be as per the Company's travel rules in force • Other entitlements as per Company's policy
Profit sharing	In addition to the salary as stated above he is entitled for 2.5% of the profits of the Company for the financial year as per the audited results calculated as per the provisions of Companies Act, 1956.
Severance Pay	He will be paid severance pay of Rs.100 lakhs upon pre-mature cessation of his service for any reason.
Name	**Ms. Vanaja Arvind**
Designation	Executive Director
Date of Re-appointment	September 17, 2008 w.e.f. April 1, 2008
Period	5 Years
Salary	Rs. 60 lakhs per annum
Perquisites	• Medical insurance as per the Policies of the Company. • Company Car for official duties • Club fees • Phone and communication facilities at residence • Leave travel for self and family • Fare Entitlements, hotel accommodation, per diem and other entitlements / allowances will be as per the Company's travel rules in force • Other entitlements as per Company's policy
Profit Sharing	In addition to the salary as stated above she is entitled for 2.5% of the profits of the Company for the financial year as per the audited results calculated as per the provisions of Companies Act, 1956.
Severance Pay	She will be paid severance pay of Rs.100 lakhs upon pre-mature cessation of her service for any reason.
Name	**Mr. Mohan Parvatikar**
Designation	Wholetime Director
Date of Appointment	August 01, 2009
Period	5 Years
Salary	Rs. 15 lakhs per annum
Perquisites	• Medical insurance as per the Policies of the Company. • Company Car for official duties

	• Club fees • Phone and communication facilities at residence • Leave travel for self and family • Fare Entitlements, hotel accommodation, per diem and other entitlements / allowances will be as per the Company's travel rules in force • Other entitlements as per Company's policy
Profit Sharing	In addition to the salary as stated above he is entitled for 1% of the profits of the Company for the financial year as per the audited results calculated as per the provisions of Companies Act, 1956.

Except as stated above in this section, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Directors except the normal remuneration for services rendered as Directors.

Shareholding of the Directors in the Company

The following are details of the shareholding of the directors in the Company at the time of filing this Red Herring Prospectus:-

S. No.	Name of the Director	No. of Shares held	% of Pre-issue share Capital
1	Mr. Asvini Kumar A V	36,42,777	41.86
2	Mrs. Vanaja Arvind	10,50,662	12.07
3	Mr. Mohan Parvatikar	1,38,853	1.60
4	Mr.K.Kumar	1,000	0.01
5	Mr.C.N.Madhusudan	Nil	Nil
6	Dr.S.Rajagopalan	1,000	0.01

Changes in the Board of Directors during the last three years

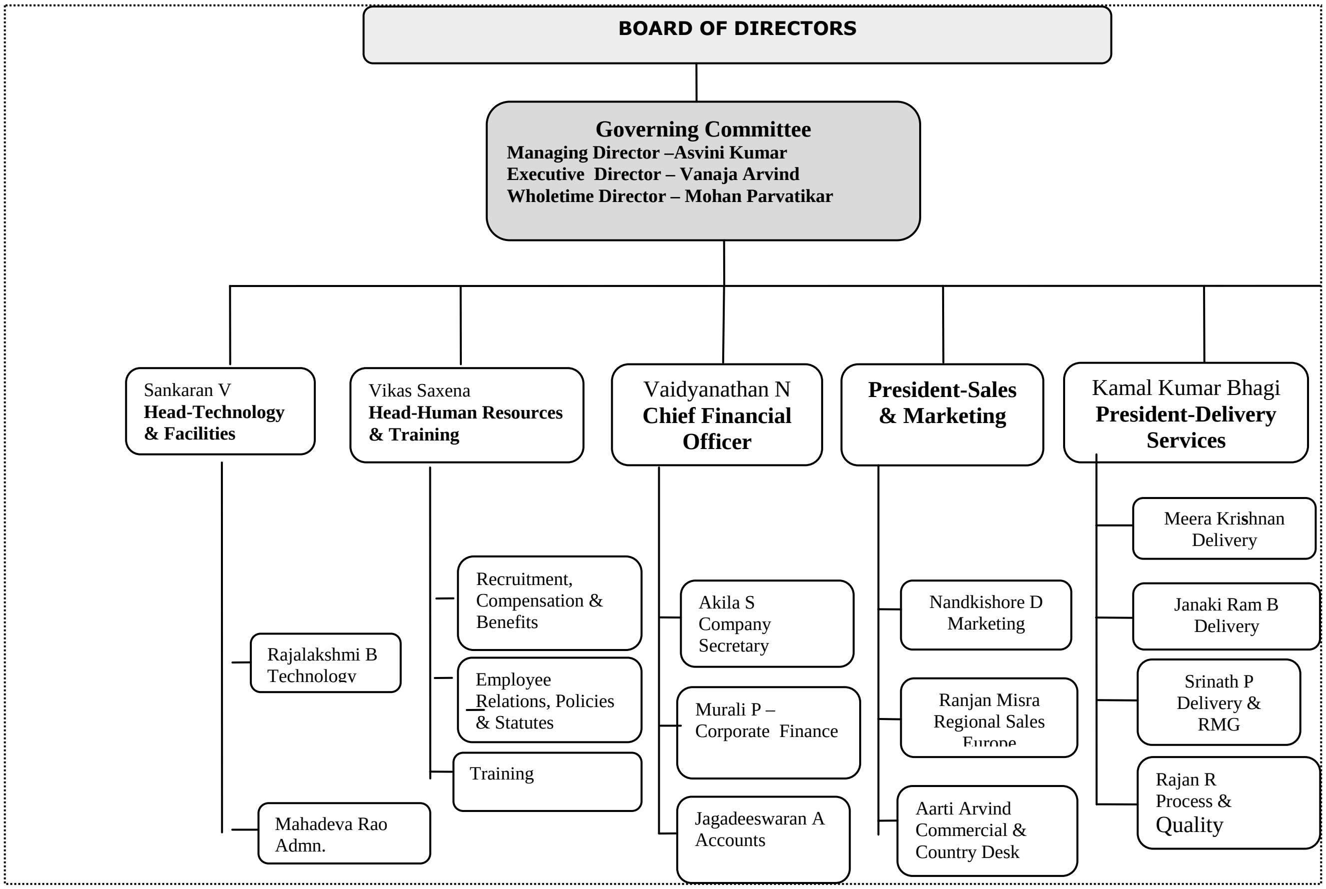
The changes in the Board of Directors during the last three years are as follows:

S.no.	Name of the Director	Date of Appointment	Date of Cessation	Reason
1	Mr. Vinod Ganjoor	--	12.09.2008	Resigned from Directorship
2	Mr. N.S.Raghuram	--	12.09.2008	Resigned from Directorship as an 'alternate director' (alternate to Mr. Vinod Ganjoor)
3	Mr.K.Kumar	17.09.2008	--	Appointed as Independent Director
4	Mr.C.N.Madhusudan	17.09.2008	--	Appointed as Independent Director
5	Dr. S.Rajagopalan	17.09.2008	--	Appointed as Independent Director

Employee Stock Option Plan

The Company had ESOP 2001 Plan, ESOP 2002 Plan, ESOP 2003 Plan and ESOP 2007 Plan. Options granted under ESOP Plans 2001, 2002 entitle the holder thereof to apply for one equity share of the Company at an exercise price of Rs.10/- per share and options granted under the ESOP scheme 2007 entitle holder thereof to apply for one equity share of the Company at an exercise price of Rs.32/- per share. The Company has allotted shares against all options issued under these ESOP 2001, 2002 and 2007 plans and there are no outstanding options under any of the schemes presently. There were no options outstanding under ESOP 2003 plan. Furthermore all ESOP Schemes of the Company have been terminated.

MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Personnel

The brief profile of the Key Managerial Personnel other than the Whole-time Directors is given below:-

S. No	Name of the Employee	Age (Yrs)	Qualification	Experience (Yrs)	Date of Joining	Designation /Responsibilities	Previous Employment
1	Ms. Aarti Arvind	33	Bachelor of Science and Post Graduate Diploma in Management	10	01.12.2004	Vice-President Commercial Management	Thinksoft (India) Services Pvt. Ltd.
2	Ms. Akila.S	29	Bachelor of Commerce, Member of The Institute of Company Secretaries of India and Master of Financial Management	7	01.07.2005	Company Secretary	RPG Guardian Pvt. Ltd. as Company Secretary cum Asst. Manager-Commercial, Foodworld Supermarkets Ltd. as Company Secretary and Express Publication (Madurai) Ltd. as Asst. Company Secretary
3	Mr. Arun Ramamoorthy	34	Bachelor of Commerce and Post Graduate Certificate in Business Management.	13	02.11.2005	Senior Project Manager	ABN Amro Bank American Express Bank Limited and Bank of America.
4	Mr. Janaki Ram B	46	Bachelor of Science and Advance Diploma in Systems Management	25	21.02.2008	Delivery Manager	State Bank of India as Manager (Credit)
5	Mr. Kamal Kumar Bhagi	48	Bachelor of Engineering	22	06.08.2008	President – Delivery	iGate as Head of IT Delivery
6	Ms. Meera Krishnan	43	Master of Science in Software Systems from BITS, Pilani. Diploma in Computer Science and Applications. Bachelor of Science from University of Madras and Master of Science in Mathematics from Annamalai University.	21	11.06.2001	Delivery Manager	EID Parry (India) Limited.
7	Mr. Sankaran V	58	Bachelor of Commerce and CISA (Certified	30	01.04.2007	Head-Technology and Facilities	State Bank of India

			Information System Auditor) from Information Systems Audit and Control Association (ISACA), Illinois				
8	Mr. Srinath P	34	Bachelor of Commerce and Associate Member of ICWAI. Advanced Diploma in Systems Management from NIIT, Chennai.	15	02.06.2000	Delivery Manager	Maars Software International, TTK Prestige Ltd and LIC of India
9	Mr.Vaidyanathan N	56	Bachelor of Science And Fellow Member of the Institute of Chartered Accountants of India	32	01.09.2005	Chief Financial Officer	Polaris Software Lab Ltd as Sr. Vice President & CFO and GEC Alsthom, Castrol Ltd, Guest Keen Williams (GKW), Binny Group and Nagarjuna Group
10	Mr. Venugopal R	34	Master of Business Administration, Finance and Bachelor of Engineering, Chemical	9	02.04.2007	Senior Project Manager	Viteos Capital Market Services Pvt. Ltd, Asst. Manager – Securities Transaction and Administrative Services with Infrastructure Leasing and Financial Services Ltd, Project Engineer with Dev Technologies
11	Mr. Vikas Saxena *	54	Bachelor of Arts, LLB, Post Graduate Diploma in HR Management, Advanced Diploma in Effective Marketing, Business Management Association, Diploma in Export Management, Diploma in United Nations & International Understanding.	26	22.12.2008	Head-Human Resources & Training	HCL, Sonata Software Limited, Vedatech Overseas, Vinciti Networks Pvt. Limited and Valtech India (Software) Pvt. Limited.

*Mr.Vikas Saxena has vide letter dated August 6, 2009 resigned from the Company and is presently serving his notice period.

The Company has promoted Ms. Aarti Arvind, a relative of Ms. Vanaja Arvind, the Executive Director of the Company, as Senior Manager-RMG and Commercial with a gross salary of Rs.2,00,000 per month. As per Section 314 (1B), the Company has to pass a special resolution and also obtain the approval of the Central Government for appointing a relative of the director of the Company for an office or place of profit if the remuneration exceeds the limit prescribed. Accordingly, the Company had obtained the approval of Central Government for the appointment of Ms. Aarti Arvind as Senior Manager – Human Resources and Training with a gross salary of Rs. 1,35,000 per month. Pursuant to her promotion as Senior Manager – RMG and consequent increase in salary, the Company has made the necessary application to the Central Government vide letter bearing Ref. No. TGS/Sec/08-09 dated August 16, 2008..The Company has received the approval from the Ministry of Company Affairs vide letter dated June 09, 2009.

Ms. Aarti Arvind aged 33 years, is Vice President – Commercial Management, She has been associated with the Company since 2001. Prior to joining on roll of the Company, she was on full time consultant to the Company till December 2004. She has done her Bachelor of Science from Madras University and Post Graduate Diploma in Management from T.A.Pai Management Institute, Manipal. She has more than 7 years of experience in Marketing and Human resources and is presently handling the departments like Commercial & Country Desk. Previously she was handling a number of areas such as recruitment, training, staffing co-ordination, commercial management and other HR operations.

Ms. S. Akila, aged 29 years, Company Secretary, has been associated with the Company since 2005. She has done her Bachelor of Commerce from Madras University, is a Member of Institute of Company Secretaries of India and Master of Financial Management from Pondichery University. Prior to joining with Thinksoft she worked with RPG Guardian Pvt. Ltd. as Company Secretary Cum Asst. Manager - Commercial, Foodworld Supermarkets Ltd as Company Secretary and Express Publications (Madurai) Ltd as Asst. Company Secretary.

Mr. Arun Ramamoorthy, aged 34, Senior Project Manager, has done his Bachelor of Commerce from University of Delhi and Post Graduate Certificate in Business Management XLRI, Jamshedpur. Prior to joining the company he worked with Multinational Banks such as ABN Amro Bank, American Express Bank Ltd, Bank of America in areas of Operation Management in Personal Banking, Corporate Banking, Payments and Cash management, Process re-engineering and Project and people management. He has domain expertise in retail, electronic and core banking and cash management.

Mr. Janaki Ram B, aged 46, is Delivery Manager. He has done his Bachelor of Science from Nagarjuna University and Advance Diploma in Systems Management from The Academic Council of the National Institute of Information Technology (NIIT). He has over 25 years of experience in the banking and financial domain. Prior joining the Company, he worked with State Bank of India in various positions. He reports to the President, Delivery Services.

Mr. Kamal Kumar Bhagi, aged 48, is President-Delivery Services of the Company. He provides executive oversight to delivery, RMG and Process Quality. He has done his Bachelor of Engineering from Madras University. He has more than 22 years of experience in IT Industry-development, maintenance, support and implementations.

Prior to joining with the Company, he has worked with most of the Fortune 500 customers spread over US, UK, Germany, Italy, Japan, Australia and Middle East. He reports to the Governing Committee.

Ms. Meera Krishnan, aged 43, is a Delivery Manager. She has done her Diploma in Computer Science and Applications from Anna University, Chennai and Bachelor of Science, Mathematics from Annamalai University and Masters of Science in Software Systems from BITS, Pilani. Prior to joining the Company, she worked with EID Parry (India) Ltd in areas of Systems Management including design, development and implementation of application software.

Mr. Sankaran V, aged 58, Head –Technology & Facilities. He has done his Bachelor of Commerce from University of Delhi and CISA (Certified Information System Auditor) from Information Systems Audit and Control Association (ISACA), Illinois, his domain expertise includes areas of Core Banking, Retail banking, Loans and Foreign exchange, Treasury, Interfaces and surround.

Mr. P. Srinath, aged 34 years, is Delivery Manager. He has done his Bachelor of Commerce from University of Madras, Advanced Diploma in Systems Management from NIIT, Chennai and Associate Member of the ICWAI. Prior to joining the Company, he worked with organizations like Maars Software International, TTK Prestige and LIC of India. He has experience in areas of ERP implementation, Internal Audit and insurance totalling to about 15 years. Currently he takes responsibility of managing the commercial team and reports to the President, Delivery services.

Mr. Vaidyanathan N, aged 56, is Chief Financial Officer of the Company, joined Thinksoft in September 2005. He has done his Bachelor of Science from Madras University and is a Fellow Member of Institute of Chartered Accountants of India. Mr.Vaidyanathan has more than 32 years of professional experience and his track record is based on solid experience with multinational organizations like GEC Alsthom, Castrol Ltd, Guest Keen Williams (GKW), Binny and the Nagarjuna Group. Prior to joining Thinksoft he had a long stint with Polaris Software Lab Ltd. as CFO. During the course of his career he has straddled strategic and operational responsibilities in Financial Planning, Treasury, Tax, Compliance, Systems and Processes, Handled the IPO and M&A. Mr.Vaidyanathan reports to the Governing Committee.

Mr. Venugopal R, aged 34, is a Senior Project Manager. He has done his Bachelor of Engineering, Chemical from Annamalai University and Masters of Business Administration, Finance from University of Madras. Prior to joining the Company, Mr.Venugopal worked as Assistant Vice President –Operations with Viteos Capital Market Services Private Limited, Assistant Manager – Securities Transaction and Administrative services with Infrastructure Leasing and Financial Services Ltd in areas of fund trade operations, depository operations, loan against shares, F & O, Trade Operations and Retail and Private Banking project engineer with Dev Technologies. He has a total experience of 9+ years in the financial services sector.

Mr. Vikas Saxena, aged 54 years, is Head – Human Resources & Training. He has done his Bachelor of Arts from Kanpur University, his Post Graduate Diploma in Human Resources Management from Indira Gandhi National Open University, Advanced Diploma in Effective Marketing from Business Management Association, London, Diploma in Export Management from the Association for Overseas Technical

Scholarship, Japan, Diploma in 'United Nations & International Understanding', from the United Nations Studies, New Delhi, affiliated to World Federation of United Nations Associations, Geneva, Switzerland and is also an LLB professional. Prior to joining the Company has worked with companies like Valtech, Vinciti, Vedatech, Sonata and HCL. He reports to the Governing Committee. Mr.Vikas has resigned from the Company vide letter dated August 6, 2009 and is presently serving his notice period.

All the key management personnel are on the payrolls of the Company as permanent employees. None of the above mentioned key managerial personnel are related to each other except Ms.Aarti Arvind who is daughter of Ms.Vanaja Arvind. None of the key managerial personnel are appointed pursuant to any arrangement or understanding with major shareholder, customer or supplier.

Shareholding of Key Managerial Personnel

The shareholdings of the key managerial personnel are as under

S. No.	Name of the Employee	No. of shares
1	Ms. Aarti Arvind	33,333
2	Ms. Akila.S	Nil
3	Mr. Arun Ramamoorthy	8,333
4	Mr. Janaki Ram B	2,222
5	Mr. Kamal Kumar Bhagi	41,667
6	Ms. Meera Krishnan	8,344
7	Mr. Srinath P	38,067
8	Mr. Sankaran V	11,111
9	Mr. Vaidyanathan N	55,556
10	Mr. Venugopal R	8,333
11	Mr. Vikas Saxena	Nil

Compensation paid to Key Managerial Personnel

Sl. No.	Name of the Employee	Compensation per Annum for the FY 2008-09 (Rs. in lakhs)
1	Ms. Aarti Arvind	18.91
2	Ms. S Akila	7.50
3	Mr. Arun Ramamoorthy	19.00
4	Mr. Janaki Ram B	18.00
5	Mr. Kamal Kumar Bhagi**	48.00
6	Ms. Meera Krishnan	22.00
7	Mr. Srinath. P	22.00
8	Mr. Sankaran V	24.00
9	Mr. Venugopal R	18.00
10	Mr. Vaidyanathan N	44.00
11	Mr. Vikas Saxena**	27.00

*** Joined after 31.03.2008*

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Changes in Key Managerial Personnel during last three years

S.No	Name	Date of joining	Date of Change	Reasons for change
1	Mr. P V Jaishankar	1-Mar-03	31-Aug-06	Resignation
2	Mr. Viswanathan K	11-Jul-05	19-Dec-06	Resignation
3	Mr. Natarajan K	7-Nov-05	2-Mar-07	Resignation
4	Mr. Srinivasan R	2-Jan-04	11-Jul-08	Resignation
5	Mr. Janaki Ram	21-Feb-08	--	Appointment
6	Mr. Kamal Kumar Bhagi	06-Aug-08	--	Appointment
7	Mr. Sankaran.V	17-April-06	--	Appointment
8	Mr.Venugopal R	02-Apr-07	--	Appointment
9	Ms. Indu Padmanabhan	11-June-07	31-Dec-08	Resignation
10	Mr. Vikas Saxena	22-Dec-08	--	Appointment

Payment or Benefit to Officers of the Company (non salary related)

The Company has a performance linked bonus (Company Performance + Individual Performance) and a profit sharing scheme for their employees. The Key Managerial Personnel of the Company do not have any interest in the Company other than to the extent of the remuneration or benefits or Profit sharing to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Apart from the above mentioned the Key Managerial Personnel the Company has appointed few persons who have expertise in their filed as full time consultant through Consultancy agreement. Brief details of those consultants are as follows.

Mr. Bharath D

Mr. Bharath D, aged 58, has been appointed as Principal Consultant vide consultancy agreement between the Company and Mr. D Bharath dated September 1, 2006 and continues until it is terminated by either party with three months notice. He has done Bachelor of Technology from Indian Institute of Technology, Madras and Post Graduate Diploma in Management from Indian Institute of Management, Calcutta. He has more than 35 years of experience in software delivery, sales and marketing for IT organizations. Prior to his stint as Consultant to the Company he served as President, Cordys, Asia (Division of Vanenburg IT Park Ltd), Senior Vice President & Director, Satyam Computer Services Ltd, CEO-Operations Baan Infosystems India Limited and Technical Director, (Board Member) Sonata Software Limited.

The salient features of the Consultancy agreement are as under:

1. The services to be provided are in the area of sales and marketing.
2. The agreement will commence on the date of the agreement (September 01, 2006) and shall continue until terminated in accordance to the provisions of the Agreement.
3. Either party can terminate the agreement by giving a three months notice.
4. There will be a fixed monthly retainer fee of 2.5 lakhs and bonus and perks over that.
5. The consultant will be reimbursed the expenses of telephone used for business purpose and travel expenses.

Ms. Satyabhama

Ms. Satyabhama R, aged 54, has been appointed as Principal Consultant of the Company vide consultancy agreement between the Company and Ms. Satyabhama dated April 1, 2008 for the period of one year till March 31, 2009. She has done Bachelor of Commerce from Madras University and Post Graduate Diploma in Industrial Management. She has managed several global testing projects for Fortune 100 Banking and financial Services organizations for the Company. She has over 25 years of experience in the IT services industry.

She has good working knowledge / product familiarity in the areas of retail banking, payment systems, forex, loans and asset based lending systems, credit decision and collateral monitoring systems, investment products, equities trading and credit card management & transaction processing. Her knowledge covers the testing processes, methodologies, tools and techniques and automation. She acts as a Domain and testing consultant for areas such as retail banking, credit cards, payment systems, mutual funds, forex, loans, and collateral –monitoring systems.

The salient features of the consultancy agreement are as under:
1. The period of the contract is from April 01, 2008 to March 31, 2009.
2. The salary to be paid per month will be Rs. 3, 75,000/- plus service tax.
3. Leave will be granted for 1.5 days for every completed month of contract.
4. The contract may be terminated by either party by giving a prior notice of 90 days.
5. Location will be primarily Chennai but liable to transfer to any of the subsidiaries or group companies.

The Company has renewed the said agreement for a period commencing from April 01, 2009 to March 31, 2010 vide letter dated April 01, 2009. The fee payable per month will be Rs.3,18,750 plus service tax and a variable compensation upto a maximum amount of Rs.6,75,000 per annum plus service tax as applicable, in proportion to the number of months completed, which will be decided and paid at the discretion of the Company.

F. PROMOTERS AND PROMOTER GROUP COMPANIES

	**Mr. Asvini Kumar A V** aged 55 years, holds a Bachelors of Science degree in Physics (Osmania University) and a PGDM from IIM, Bangalore (1981). He, along with 3 other IIM batch mates co-founded and ran a consulting startup for 2 years (1981-83). This was followed by a 1 year assignment at IIM - Bangalore to help set up and upgrade their student and faculty computing facilities and later by a 5 year stint with PSI Data Systems, as Product Support Manager. He founded Thinksoft with the objective of providing value added IT consulting services, mainly in the areas of testing, documentation and domain consulting. In 1999, he along with two others re-structured Thinksoft as a Private Company with Venture Capital funding to promote the offshore model for software testing.
	**Ms. Vanaja Arvind** – aged 61 years is an M.A Sociology (University of Madras) and M.S (University of Pittsburgh). After a stint with a Chennai headquartered NBFC, she co-founded and ran her own software consulting firm for a few years before joining Citibank in 90. During her stinct in Citibank she successfully spearheaded efforts to obtain an SEI CMM level 3 certification. After another brief tenure as the CEO of an Indian ISP, she moved on to IBM Global Services (India) where she held many roles, first as the Head of Quality, then as a key member of its outsourcing team in New Jersey and lastly as their India Country Manager (SMB Services). Ms. Vanaja teamed up with Mr. Asvini and Mr. Mohan to re-structure and re-orient Thinksoft in early 2000.
	**Mr. Mohan Parvatikar** aged 52, has graduated from IIT - Delhi and later enrolled at IIM, Bangalore to get his MBA. After working for major Indian financial sector Organisations for many years (SBI, ICICI and KSFC) Mohan re-invented himself as a stockbroker on the Bangalore Stock Exchange. He became associated with Thinksoft in late 1999, participating in its re-structuring and fund raising activities and has remained an active and key contributor to its strategic planning dimension.

Identification Particulars	Details
Mr. Asvini Kumar A V	
Permanent Account Number	ABKPK1768J
Passport Number	Z1557784
Driving License Number	NP96/83
Voter ID	MCL5063789
Ms. Vanaja Arvind	
Permanent Account Number	AAAPA8512B
Passport Number	G2407674
Driving License Number	TN 01 19660001813
Voter ID	KSV 307043
Mr. Mohan Parvatikar	
Permanent Account Number	AHNPP8406H
Passport Number	F8342828
Driving License Number	DL No. 2268/77-78
Voter ID	N.A

The Company undertake that the details of the PAN, bank account number and passport number of the Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Further, the Promoters and Promoter Group, including relatives of the Promoters, have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority.

There are no violations of securities laws committed by them in the past or are pending against the Promoters or persons in control of bodies corporate forming part of the Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Interest of Promoters and Common Pursuits

The Promoters do not have any interest:

(i) in any property acquired by the Company within two years of the date of this Red Herring Prospectus or proposed to be acquired by it, save and except the lease rentals received from the Company for using the following properties:

a. Premises located at S-912, 9th Floor, Manipal Centre, Dickenson Road, (Off M.G.Road), Bangalore – 560 042 leased by Mr. Asvini Kumar A.V. in favour of the Company *vide* lease agreement July 1, 2008; and
b. Building at Flat No.3, Block-III, First Floor, Ananya Ashok, Door No.5, Warren Road, Mylapore, Chennai – 600 004 leased by Ms. A.K. Latha (wife of Mr. Asvini Kumar A.V.) and Mr. A.K. Krishna (son of Mr. Asvini Kumar A.V.) in favour of the Company *vide* lease deed dated April 1, 2008.

(ii) Mr. Mohan Parvatikar was interested to the extent of commission received from the Company, as disclosed under the section "Financial Statements" beginning on page 156 of this Red Herring Prospectus.

Further, save and except as stated otherwise in the chapters titled *'Business Overview'* and *'Management'* and the section titled *'Financial Statements'* beginning on page nos. 76, 131, and 156, respectively, of this Red Herring Prospectus, and to the extent of Equity Shares held by them, the Promoters do not have any other interests in the Company as on the date of filing of this Red Herring Prospectus with SEBI.

None of the other ventures of the Promoters are involved in activities similar to those conducted by the Company.

Payment or benefit to Promoters

The Promoters are interested in the Company to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by the Company.

Since Mr. Asvini Kumar A.V. is the Managing Director of the Company, he is interested to the extent of his remuneration from the Company, as disclosed under the section "Management" beginning on page 131 of this Red Herring Prospectus.

Since Ms. Vanaja Arvind is an Executive Director of the Company, she is interested to the extent of her remuneration from the Company, as disclosed under the section "Management" beginning on page 131 of this Red Herring Prospectus. Further, Ms. Vanaja Arvind may be deemed to be interested to the extent of remuneration payable to Ms. Aarti Arvind, daughter of Ms. Vanaja Arvind, appointed as Senior Manager- Resource Management Group & Commercial.

Since Mr. Mohan Parvatikar is a Wholetime Director of the Company, he is interested to the extent of his remuneration from the Company, as disclosed under the section "Management" beginning on page 131 of this Red Herring Prospectus.

For details of transactions with Promoter Group companies, refer to the section on "Related Party Transactions" appearing on page 199 of this Red Herring Prospectus.

There are no interests of Promoters or payment or benefit to promoters except as mentioned elsewhere in this Red Herring Prospectus.

Promoter Group

In addition to the Promoters named above, the following natural persons and Companies are part of the Promoter Group.

The natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters name above are as follows:

Name of the Person	Relationship
A.K.Latha	Wife of Asvini Kumar A V
A.K.Krishna	Son of Asvini Kumar A V
Lalitha Devi	Mother of Asvini Kumar A V
A.V.Ambika	Sister of Asvini Kumar A V
Anuradha Rao	Sister of Asvini Kumar A V
Aarti Arvind	Daughter of Vanaja Arvind
Srinivasan Arvind	Husband of Vanaja Arvind
Rukmani Varadarajan	Mother of Vanaja Arvind

Anand Arvind	Son of Vanaja Arvind
C. V. Rajan	Brother of Vanaja Arvind
C V Giridhar	Brother of Vanaja Arvind
Lata Parvatikar	Wife of Mohan Parvatikar
Vijaya Parvatikar	Mother of Mohan Parvatikar
Janaki Parvatikar	Daughter of Mohan Parvatikar
Meera Padi	Sister of Mohan Parvatikar
Manju Jagade	Sister of Mohan Parvatikar

Companies forming part of the Promoter Group

M/s. Virtus Advisory Services Pvt. Limited (VASPL)

VASPL was incorporated on August 30, 2006 as a Private Limited Company with the main objective of carrying and undertake the business of advising, arranging and organising, Capital funding, Merger & Acquisitions.

Board of Directors as on July 31, 2009
Mr. Asvini Kumar A V
Mr. Mohan Parvatikar

Business activity
VASPL has been formed with the main objects to carry on and undertake the business of advising, arranging and organising venture capital funding, mergers and acquisitions, promoter capital, seed capital, loans, advances and any form of financial intermediation for corporate and non corporate bodies, individuals or a group and to provide financial counselling and services in connection with evaluation and / or identification of projects, products, technologies, markets, collaborations and promoters and co-promoters in India and abroad.

Shareholding pattern as on July 31, 2009

Name	No. of shares of Rs. 10/- each	% age
Asvini Kumar A V	9,500	95.00
Mohan Parvatikar	500	5.00
TOTAL	**10,000**	**100.00**

Financials for the last three years ended March 31st

(**Rs in Lakhs)**

Particulars	2005-06	2006-2007	2007-2008
Sales (Services)	--	2.33	--
Other Income	--	--	8.36
PBT	**--**	0.17	1.63
PAT	--	0.04	1.58
Share Capital	--	1.00	1.00
Reserve & Surplus	--	0.04	1.62
Net Worth	--	1.04	2.62
EPS (in Rs.)	--	0.42	15.79
NAV (in Rs.)	--	10.40	26.20

Litigation

There are no litigations pending by or against VASPL. Further, no notices were issued against VASPL.

M/s. Wholistic Breads Private Limited (WBPL):

WBPL was incorporated on July 06, 2007 as a Private Limited Company with the main objective of carrying and undertake the business of manufacturing of health food products.

Board of Directors as on July 31, 2009
Ms. Vanaja Arvind
Mr S. Arvind

Business activity
WBPT is into business of manufacturing health food products such as breads, cakes, energy bars, rolls and sandwiches, etc. WBPL has its own outlet for selling its product and also selling through dealers in various locations in Chennai.

Shareholding pattern as on July 31, 2009

Name	No. of shares of Rs. 10/- each	% age
Vanaja Arvind	65,000	65
Srinivasan Arvind	20,000	20
Aarti Arvind	10,000	10
Anand Arvind	5,000	5
Total	**1,00,000**	**100**

The Company was incorporated in the year 2007, hence the audited financials are available for the period from 06.07.2007 to 31.03.2008

(Rs. in lakhs)

Particulars	2005-06	2006-2007	For a period of 06.07.2007 to 31.03.2008
Sales	--	--	2.43
Other Income	--	--	--
PBT	--	--	(4.96)
PAT	--	--	(5.15)
Share Capital*	--	--	1.00
Reserve & Surplus	--	--	--
Net Worth	--	--	(6.05)
EPS (in Rs)	--	--	(51.50)
NAV (in Rs)	--	--	(60.55)

***** Excludes share application money pending allotment

Litigation

There are no litigations pending by or against WBPL. Further, no notices were issued against WBPL.

There are no purchases or sales between above entities and the Company which exceed in value in aggregate 10% of the total sales or purchases of the Company.

None of the above companies have become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor are they under winding up.

Defunct Promoter Group Companies

There are no defunct Promoter Group Companies

Disassociation by the Promoter in the last three years

There has been no disassociation by the Promoter in the last three years.

Litigation

There are no litigations pending against the Promoter or Promoter Group.

G. CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America. All references to "Sterling", "Pound Sterling", "GBP" or "£" are to Pound Sterling, the official currency of the United Kingdom. All references to "Sing$" or "S$" are to Singapore Dollar, the official currency of the Singapore. All references to "euro', "EUR" are to euros, the official currency of the European Community. All references to "AUD" are to Australian Dollar, the official currency of Australia. This Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines.

H. RELATED PARTY TRANSACTIONS

For further details on related party transactions, see the Annexure XIV of the Financial Statements at page 199 of this Red Herring Prospectus.

I. DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company. The following are the details of the dividends paid by the Company since Fiscal 2004-05:

Particulars	Financial Years				
	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Equity Share Capital (Rs. in Lakhs)	870.16	766.27	724.46	706.77	706.77
Face Value	10	10	10	10	10
No. of Shares (in Lakhs)	87.01	76.63	72.45	70.68	70.68
Final Dividend %	10	--	5	10	6
Interim Dividend%	-	20	15	--	--
Rate of Dividend %	10	20	20	10	6
Final Dividend (Rs. in Lakhs)	87.02	-	36.22	70.68	42.41
Interim Dividend (Rs. in Lakhs)	--	153.25	108.67	--	--
Corporate Dividend Tax (Rs. in Lakhs)	14.79	26.05	21.40	9.91	5.95

The amounts paid as dividends in the past are not in any manner indicative of the dividend policy or dividends, if any, that may be declared or paid in the future.

SECTION V - FINANCIAL INFORMATION

A. FINANCIAL STATEMENT

AUDITORS REPORT

The Board of Directors
Thinksoft Global Services Limited
Type II, Unit 5,
Dr. Vikram Sarabhai Instronics Estate,
Thiruvanmiyur, Chennai 600 041

Dear Sirs,

Re: <u>Proposed Initial Public issue of Equity Shares of Thinksoft Global Services Limited (formerly Thinksoft Global Services Private Limited)</u>

We have examined the financial information of Thinksoft Global Services Limited (formerly Thinksoft Global Services Private Limited) ('the Company') annexed to this report for the purpose of inclusion in the Offer Document and initialled by us for identification. The financial information has been prepared by the Company and approved by the Board of Directors which has been prepared in accordance with:

a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

b) Securities and Exchange Board of India – Disclosure and Investor Protection Guidelines, 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992; and related clarification;

c) The terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of Equity Shares.

Financial Information as per the Audited Financial Statements

A. We have examined the attached 'Statement of Unconsolidated restated Assets and Liabilities' of the Company as at 31st March 2005, 2006, 2007, 2008 and 2009 (Annexure 1), 'Statement of Unconsolidated restated Profits and Losses' for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 (Annexure II) and 'Statement of Unconsolidated Restated Cash Flows' for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 (Annexure III), together referred to as 'Unconsolidated Restated Summary Statements'.

B. These Unconsolidated Restated Summary Statements have been extracted from the financial statements of each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 and adopted by the Board of Directors for those respective years.

C. We have audited the financial Statements of the Company for the year ended 31st March 2009 and for the year ended 31st March 2008. Financial

Statements of the Company for the years ended 31st March 2004, 2005, 2006 and 2007 have been audited by other auditors and in issuing this report we have relied on the reports of those other auditors. The financial statements audited by other auditors reflect the following values.

(Rs. in lakhs)

Year ended	Total Revenue	Net worth	Profit after Tax
31st March 2007	5,300.22	2,113.62	798.90
31st March 2006	3,463.61	1,454.67	366.48
31st March 2005	1,794.69	1,166.91	51.29
31st March 2004	1,151.45	1,144.29	(33.83)

D. Based on our examination of these Unconsolidated Restated Summary Statements, we state that:

a. Annexure I contains the Statement of Unconsolidated restated Assets and Liabilities of the Company as at 31st March 2005, 2006, 2007, 2008 and 2009.

b. Annexure II contains the Statement of Unconsolidated restated Profits and Losses of the Company for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009

c. Annexure III contains the Statement of Unconsolidated Restated Cash Flows for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009.

d. Annexure IV contains Summary of Notes to Accounts and Significant Accounting Policies.

e. Annexure IV - A contains the Notes on adjustments made in the Unconsolidated Restated Summary Statements, which have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at 31st March 2009.

Other Financial Information

E. We have examined the following information as at and for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 of the Company, proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

a) Annexure V contains details of unconsolidated restated sundry debtors
b) Annexure VI contains details of unconsolidated restated loans and advances
c) Annexure VII contains details of unconsolidated restated Secured and Unsecured loans.
d) Annexure VIII contains details of unconsolidated restated other income
e) Annexure IX contains details of unconsolidated restated Contingent Liabilities
f) Annexure X contains statement of unconsolidated major accounting ratios;
g) Annexure XI contains statement of unconsolidated Capitalization statement;
h) Annexure XII contains statement of dividend paid
i) Annexure XIII contains statement of unconsolidated restated Tax Shelter

j) Annexure XIV contains statement of unconsolidated restated Related Party disclosures.
k) Annexure XV contains statement of unconsolidated restated details of Investments.
l) Annexure XVI contains changes in significant Accounting Policies.

F. In our opinion, the 'Financial Information as per Audited Financial Statements' and 'Other Financial Information' mentioned above as at and for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 have been prepared in accordance with Part II of schedule II of the Act and the Guidelines.
G. This report neither should in any way be construed as a reissuance or redating of any of the previous audit reports by us or by any other firms of Chartered Accountants nor should this be construed as a new opinion on any of the Financial Statements referred to herein.
H. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **PKF Sridhar & Santhanam**
Chartered Accountants

V Kothandaraman
Partner
Membership No. 25973

Place : Chennai
Date : 11th August 2009

***ANNEXURE I* - STATEMENT OF UNCONSOLIDATED RESTATED ASSETS AND LIABILITIES**

(Rs. in lakhs)

		As on				
A	**Particulars**	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
A	**Fixed assets :**					
	Gross block	881.84	837.11	674.48	462.31	400.98
	Less: Accumulated Depreciation	(566.63)	(603.37)	(477.58)	(322.18)	(291.28)
	Net block	315.21	233.74	196.90	140.13	109.70
	Capital work-in-progress including capital advances	19.67	48.00	24.44	134.76	-
		334.88	**281.74**	**221.34**	**274.89**	**109.70**
B	**Investments**	**100.98**	**100.98**	**100.98**	**100.98**	**73.83**
C	**Deferred tax assets**	**62.27**	**34.07**	**13.27**	**7.26**	**3.69**
D	**Current assets, Loans and Advances :**					
	Sundry debtors	2,354.04	2,017.05	1,733.73	970.81	491.32
	Cash and bank balances	2,111.97	994.42	521.21	253.88	475.75
	Loans and advances	1,055.25	721.50	276.46	368.98	237.24
	Other current assets	11.50	25.50	0.96	57.51	2.47
	Total	**5,532.76**	**3,758.47**	**2,532.36**	**1,651.18**	**1,206.78**
E	**Liabilities and provisions**					
	Secured loans	-	-	-	1.11	6.37
	Unsecured loans	**-**	**-**	**-**	**-**	**-**
	Current liabilities and provisions	1,661.11	1,144.21	754.33	578.53	220.72
	Deferred tax liability (net)	-	-	-	-	-
	Total	**1,661.11**	**1,144.21**	**754.33**	**579.64**	**227.09**
F	**Net worth (A+B+C+D-E)**	**4,369.78**	**3,031.05**	**2,113.62**	**1,454.67**	**1,166.91**
	Represented by					
G	Share capital	**870.16**	**766.27**	**724.46**	**706.77**	**706.77**
H	**Reserves and surplus**					
	General reserve	220.72	212.97	142.22	82.22	82.22
	Share Premium account	91.08	91.97	-	-	-
	Accumulated profit	3,187.82	1,901.71	1,246.94	665.68	377.92
	Total	**3,499.62**	**2,206.65**	**1,389.16**	**747.90**	**460.14**
I	Employees Stock Options Outstanding	-	**58.13**	**-**	**-**	**-**
J	**Net worth (G+H+I)**	**4,369.78**	**3,031.05**	**2,113.62**	**1,454.67**	**1,166.91**

Note: The above summary statement is to be read with Notes to the restated financial statements and Significant accounting policies as appearing in Annexure IV and IV-A.

ANNEXURE II STATEMENT OF UNCONSOLIDATED RESTATED PROFITS AND LOSSES

(Rs. in lakhs)

	For the year ended				
Particulars	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
INCOME					
Sale of services					
Within India	317.89	594.52	241.49	147.98	149.87
Rest of the World	8578.06	6,382.74	5,024.49	3,296.81	1,604.50
TOTAL	**8,895.95**	**6,977.26**	**5,265.98**	**3,444.79**	**1,754.37**
Other income	302.74	20.12	34.24	18.82	40.32
TOTAL INCOME (A)	**9,198.69**	**6,997.38**	**5,300.22**	**3,463.61**	**1,794.69**
EXPENDITURE					
Employees' remuneration and benefits	4,968.46	3,934.12	2,763.53	1,855.93	769.11
Operating Expenses	1,349.79	909.11	715.32	528.84	420.51
Administration expenses	980.41	773.84	660.93	541.23	397.73
Selling expenses	174.72	102.59	94.52	37.38	28.80
Financial charges	22.45	7.14	10.15	4.84	14.74
Exchange rate fluctuation loss (net)	-	110.33	-	15.70	21.25
Depreciation	158.51	132.77	181.82	77.85	58.40
TOTAL EXPENDITURE (B)	**7,654.34**	**5,969.90**	**4,426.27**	**3,061.77**	**1,710.54**
Profit before tax (A-B)	**1,544.35**	**1,027.48**	**873.95**	**401.84**	**84.15**
Provision for taxation					
- Current tax (restated)	277.07	165.94	53.78	22.20	11.31
- Deferred tax	(28.20)	(26.98)	(6.00)	(3.57)	1.86
- Fringe benefit tax	31.72	22.90	18.62	14.86	-
- Minimum Alternate Tax Credit	(124.15)	(68.45)	-	-	-
Total	**156.44**	**93.41**	**66.40**	**33.49**	**13.17**
Net profit/(loss), Before Extraordinary Items, as restated	**1,387.91**	**934.07**	**807.55**	**368.35**	**70.98**
Extraordinary Items	-	-	-	-	-
Net profit/(loss), After Extraordinary Items, as restated	**1,387.91**	**934.07**	**807.55**	**368.35**	**70.98**
Profit/(loss) at the beginning of the period	1,901.71	1,246.94	665.68	377.92	355.30
Balance available for appropriation, as restated	**3,289.62**	**2,181.01**	**1,473.23**	**746.27**	**426.28**
Interim Dividend	-	(153.25)	(108.67)	-	-
Proposed Dividend	(87.02)	-	(36.22)	(70.68)	(42.41)
Tax on Dividend	(14.78)	(26.05)	(21.40)	(9.91)	(5.95)
Transfer to general reserve	-	(100.00)	(60.00)	-	-
Total	(101.80)	(279.30)	(226.29)	(80.59)	(48.36)
Balance carried forward, as restated	**3,187.82**	**1,901.71**	**1,246.94**	**665.68**	**377.92**

Notes:

1. The above summary statement is to be read with Notes to the restated financial statements and Significant accounting policies as appearing in Annexure IV and IV-A.

2. The reconciliation between the audited and restated accumulated profit and loss balance as at April 1, 2004, is given in Annexure II-A

3. The Administrative expenses includes provision for Bad and Doubtful Debts amounting to Rs. 112.56 Lakhs for the Financial Year ended 31st March 2009.

ANNEXURE II-A: RESTATED ACCUMULATED PROFIT / (LOSS) AS AT APRIL 1, 2004

(Rs. in lakhs)

	Amount in Foreign currency		**Amount in Rs.**
	Currency	**Amount**	
Profit brought forward as at April 1, 2004 (as per audited financials)			
Thinksoft Global Services Ltd.			370.61
Tax relating to earlier years (See Note No.1 of Annexure IV A)			(20.86)
Deferred tax Adjustment relating to earlier years (See Note No.3 of Annexure IV A)			5.55
Profit brought forward as at April 1, 2004 (Restated)			355.30

***ANNEXURE III* - STATEMENT OF UNCONSOLIDATED RESTATED CASH FLOWS**

(Rs. in lakhs)

	31.03.09	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
Cash flows from operating activities					
Net profit/(loss) before taxation, as restated	1544.35	1,027.48	873.95	401.84	84.15
Adjustments for					
Depreciation	158.51	132.77	181.82	77.85	58.40
Loss/(profit) on sale of fixed assets	(62.77)	-	(0.56)	0.78	(3.11)
Unrealised Forex exchange loss/(gain) (net)	(336.86)	101.16	5.16	1.77	7.33
Interest income	(29.15)	(20.12)	(7.46)	(17.30)	(34.26)
Interest expense	-		0.04	1.69	5.07
ESOP Provision	-	58.13	-	-	-
Leave Salary 2006-07	-	(41.24)	-	-	-
Contribution to Gratuity 2006-07	-	18.16	-	-	-
Provision for Bad and Doubtful Debts	112.56	-	-	-	-
Operating profit before working capital changes	**1,386.64**	**1,276.34**	**1,052.95**	**466.63**	**117.58**
(Increase)/Decrease in Sundry debtors	(238.80)	(346.72)	(783.11)	(475.33)	(306.35)
(Increase)/Decrease in loans and advances / other current assets	(318.15)	(514.66)	154.49	(209.16)	91.57
Increase/(Decrease) in ESOP Provision reversed	-	-	-	-	-
Increase/(Decrease) in current liabilities (Refer note c below)	267.42	372.53	188.52	296.89	80.01
Increase/(Decrease) in provisions	76.59	39.32	13.50	16.18	(1.87)
Cash generated from operations	**1,173.70**	**826.81**	**626.35**	**95.21**	**(19.06)**
Direct taxes paid (net of refunds)	(75.83)	(61.08)	(65.52)	(3.42)	(27.20)
Net cash from/(used in) operating activities	**1,097.87**	**765.73**	**560.83**	**91.79**	**(46.26)**
	31.03.09	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
Cash flows from investing activities					
Purchase of fixed assets	(215.93)	(196.94)	(125.43)	(247.64)	(67.95)
Proceeds from sale of fixed assets	67.05	-	1.50	3.82	3.12
Purchase of investments	-	-	-	(27.15)	(41.36)
Fixed deposits placed with banks (net)	-	(345.29)	-	-	-

Fixed deposits matured during the year (net)	288.47	-	-	290.00	612.02
Interest received	26.62	19.26	7.53	18.72	34.85
Net cash from/(used in) in investing activities	**166.21**	**(522.97)**	**(116.40)**	**37.75**	**540.68**
Cash flows from financing activities					
Proceeds from issue of shares	52.62	133.78	17.70	-	-
Proceeds from short-term borrowings	-	-	-	-	-
Repayment of short-term borrowings	-	-	(1.11)	(5.26)	(431.37)
Interest paid	-	-	(0.04)	(1.69)	(5.07)
Dividends paid	-	(189.48)	(179.35)	(42.41)	(42.41)
Tax on dividend paid	-	(32.20)	(25.15)	(5.95)	(5.54)
Net cash (used in)/from financing activities	**52.62**	**(87.90)**	**(187.95)**	**(55.31)**	**(484.39)**
Net increase in cash and cash equivalents	**1,316.70**	**154.86**	**256.48**	**74.23**	**10.03**
Cash and cash equivalents at the beginning of the year	570.90	416.04	159.56	85.33	75.30
Cash and cash equivalents at the end of the year	**1,887.60**	**570.90**	**416.04**	**159.56**	**85.33**
Notes:					
a) The reconciliation to the cash and bank balances as given in Annexure - I is as follows :					
Cash and bank balances, per Annexure - I	**2,111.97**	**994.42**	**521.21**	**253.88**	**475.75**
Less : Effect of changes in exchange rate on cash and cash equivalents	**(63.05)**	26.27	(0.67)	10.18	4.08
Less : Fixed deposits placed with banks	**(161.32)**	(449.79)	(104.50)	(104.50)	(394.50)
Cash and cash equivalents, end of year	**1,887.60**	**570.90**	**416.04**	**159.56**	**85.33**

	31.03.09	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
b) Components of cash and cash equivalents					
Cash on hand	**0.58**	0.78	0.75	0.47	0.68
Balances with scheduled banks					
in current accounts	**84.67**	131.26	132.10	39.22	25.82
in current accounts in		223.00	260.61	92.02	35.34

foreign currency	**1,625.83**				
Balances with non-scheduled banks in current accounts :-					
ICICI Bank, London	**79.60**	189.59	23.25	17.67	-
Ing Bank, Belgium	87.11	-	-	-	-
HSBC Bank, London	-	-	-	-	19.41
Balances with non-scheduled banks in deposit accounts :-					
ICICI Bank, London	72.86	-	-	-	-
Less : Effect of changes in exchange rate on cash and cash equivalents	**(63.05)**	26.27	(0.67)	10.18	4.08
	1,887.60	**570.90**	**416.04**	**159.56**	**85.33**
c) Adjustments for increase/decrease in current liabilities related to acquisition of Fixed Assets have been made to the extent identified.					

ANNEXURE IV: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Background

Thinksoft Global Services Limited ("Thinksoft" or "the Company") was incorporated on June 8, 1998 under the Companies Act, 1956. The Company has been converted into a public limited company with effect from 19th August 2008. The new certificate of incorporation has been issued by the Registrar of Companies, Chennai.

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

The Board of Directors of the Company, at their meeting held on August 2, 2007, have accorded their in principle approval for the Company to go for an Initial Public Offering (IPO) and the same has been approved by the members in the Extra ordinary General Meeting held on 17th September 08. The company has filed Draft Red Herring Prospectus (DRHP) with Securities Exchange Board of India (SEBI) on 16th March 2009 and with National Stock Exchange and Bombay Stock Exchange on 17th March 2009.

Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements of Thinksoft have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis as a going concern. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years but for the implementation of AS 15 revised 2005 which has been applied from 2007-08.

b) Use of estimates

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

c) Fixed assets and depreciation

Fixed Assets

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

Depreciation

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

Asset description	**Percentage**
Buildings	5.00%
Plant, machinery and equipment	25 – 33.33 %
Computer equipment	33.33%
Intangible assets – Computer software	33.33%
Furniture and fittings	33.33%
Office equipment	33.33%
Vehicles	25.00%
Temporary partitions	100.00%
Leasehold rights & Improvements	Tenure of Lease period or 10 years whichever is less

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

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

d) Impairment

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

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

e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

f) Revenue recognition

Software services income

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

Interest income

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

g) Retirement and other employee benefits (in accordance with AS-15 revised 2005)

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

h) Taxation

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

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

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

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

i) Earnings per share

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

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

j) Foreign currency transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

Forward Contracts in foreign currency:

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

k) Provisions

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

l) Leases

Where the Company is the lessee

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

m) Employee Stock Compensation Cost

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

n) Segment Information

Business Segments :

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

Geographical Segments :

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

o) Cash Flow:

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

Cash and Cash equivalents

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

2.0 OTHER NOTES

Notes given below are extracted from Audited Financial Statements for the years ended 31st March, 2005, 2006, 2007, 2008 and 2009 disclosed to the extent they are available in the financial statements of the respective years, except deferred tax assets which have been restated.

2.1 Notes on regrouping:

Income and Expenses of the FY 2004-05 have been regrouped in the Financial Statements for FY 2005-06 to conform that year's groupings. The details are as below:

a. Income from Software Services has been increased by Rs. 24.23 lakhs being the reimbursement of travel and other expenses.
b. Other income has been reduced by Rs. 5.60 lakhs being the reimbursement of other expenses which is added to Income from Software Services.
c. Salaries and Allowances has been increased by Rs. 125.86 lakhs on account of reclassification of travel and telephone expenses.
d. Travel Expenses has been reduced by Rs. 117.84 lakhs on account of reclassification to Salary and Allowances account and increased by Rs. 18.62 lakhs on account of reimbursement transferred to Income from Software services.
e. Repairs and Maintenance towards Building reduced by Rs.2.39 lakhs on account of regrouping of Security charges to Professional fee account.
f. Communication Expenses reduced by Rs.8.01 lakhs on account of reclassification to Salary and Allowances.
g. Audit Fees of Rs. 4.24 lakhs has been regrouped and added to Professional charges.
h. Professional charges has been increased by Rs. 6.63 lakhs on account of reclassification of Audit fees and Security charges.

2.2 Increase in authorised share capital

During the year 2007-08, the company has enhanced its authorized share capital from Rs. 800 lakhs to Rs.1,200 lakhs pursuant to the shareholder's approval at the Extra Ordinary Meeting Resolution dated 7th Jan 2008.

2.3 Shifting of Registered Office

The registered office of the company has been shifted from the State of Karnataka to Chennai, in the State of Tamilnadu pursuant to the shareholders' approval obtained at the extraordinary meeting dated 21st Sep, 2007. The Registrar of Companies, Chennai has confirmed the shifting of Registered Office from Bangalore to Chennai vide new Corporate Identity Number U64202TN1998PTC066604 dated 26th Feb, 2008.

2.4 Winding up of the Indian Subsidiary

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

2.5 Secured loans

The Company has a cash credit facility with Lakshmi Vilas Bank, Chennai, which is secured by hypothecation of fixed assets, book debts of the Company both present and future and also by personal guarantee of two Directors of the Company. The Company has no outstanding borrowings as on 31st Mar 2009.

2.6 CIF value of imports (Rs. in lakhs)

	2008-09	2007-08	2006-07	2005-06	2004-05
Capital goods	13.63	54.24	12.98	99.77	24.10

2.7 Earnings in foreign exchange (on accrual basis)

(Rs. in lakhs)

	2008-09	2007-08	2006-07	2005-06	2004-05
Income from software services	8,578.06	6,382.74	5,024.49	3,296.81	1,604.50
Interest Income	11.27	5.45	0.41	0.57	0.64
Total	**8,589.33**	**6,388.19**	**5,024.90**	**3,297.38**	**1,605.14**

2.8 Expenditure in foreign currency (on cash basis)

(Rs. in lakhs)

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Travel expenses	1,026.85	467.95	385.37	238.89	229.56
Marketing and selling expenses	76.75	21.65	49.75	24.76	6.34
Professional fees	77.84	73.39	18.79	50.72	27.87
Rent	25.02	23.01	18.32	12.07	18.56
Salary	1,683.39	984.27	903.42	360.53	61.31
Training and recruitment	-	-	12.73	-	-
Interest	-	-	-	-	0.61
Sales commission	70.58	17.22	15.53	-	-
Others	89.09	5.02	27.66	76.40	12.89
Total	**3,049.52**	**1,592.51**	**1,431.57**	**763.37**	**357.14**

2.9 Remuneration to Directors :

(Rs. in lakhs)

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Salaries	120.00	54.00	54.00	54.00	18.00
Commission	75.30	147.00	147.00	86.85	34.10
Directors Sitting fees	1.60				
Value of perquisites	-	-	-	-	0.14
TOTAL	196.90	201.00	201.00	140.85	52.24

Detailed breakup of remuneration to Directors is given below:

(Rs. in lakhs)

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Asvini Kumar A.V					
Salaries	60.00	18.00	18.00	18.00	18.00
Commission	29.50	62.00	60.00	43.43	20.10
Value of perquisites	-	-	-	-	0.14
Sub total (A)	**89.50**	**80.00**	**78.00**	**61.43**	**38.24**

Vanaja Arvind					
Salaries	60.00	36.00	36.00	36.00	-
Commission	29.50	60.00	57.00	25.42	-
Sub total (B)	**89.50**	**96.00**	**93.00**	**61.42**	**-**
Mohan Parvatikar					
Commission*	16.30	25.00	30.00	18.00	14.00
Directors Sitting Fees	1.60	-	-	-	-
Sub total (C)	**17.90**	**25.00**	**30.00**	**18.00**	**14.00**
Grand total (A+B+C)	**196.90**	**201.00**	**201.00**	**140.85**	**52.24**

*****subject to the approval of members

2.10 Dues to Micro, Small and Medium enterprises

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED) which came into force from 02nd Oct 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures:

(in Rs.)

	2008-09	2007-08	2006-07
Principal amount remaining unpaid to any supplier as at the period end	**10,171**	**4,965 ***	**-**
Interest due thereon	**-**	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	**-**	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	**-**	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	**-**	-	-

***** Vendors intimated during the year 2008-09 that they are registered under MSMED and accordingly, the previous year figures have also been regrouped for comparison

2.11 Employees' Stock Option Plan (ESOP)

The Company has ESOP 2001 Plan, ESOP 2002 Plan and ESOP 2007 plan in operation. ESOP 2001 plan and ESOP 2002 plan were issued in pursuance of the approval of the shareholders in the General Meeting held on July 30, 2001 and ESOP 2007 plan was approved by the shareholders in the General Meeting held on January 25, 2007. A compensation committee comprising of members of the Board of Directors and Senior Management Personnel administers all the ESOP Plans. ESOP 2003 plan does not have any balance as at 31st March 2009 and all the options granted under the plan had already lapsed.

ESOP Plan 2001 and ESOP Plan 2002

Options granted under the 2001 and 2002 plans entitle the holder thereof to apply for one equity share of the Company at an exercise price of Rs 10/- per share. The equity shares covered under these options vest in a graded manner, and are exercisable, over a period ranging from twelve to sixty months from the date of vesting.

The movement in the options granted under ESOP Plan 2001 and ESOP Plan 2002 are given below.

ESOP – Plan 2001

In nos

	2008-09	2007-08	2006-07	2005-06	2004-05
Options outstanding at the beginning of the year	3,220	9,900	12,400	19,680	25,680
Options granted during the year	-	-	-	-	-
Options exercised during the year	3,220	-	-	-	-
Options lapsed during the year	-	6,680	2,500	7,280	6,000
Options outstanding at the end of the year	-	3,220	9,900	12,400	19,680

ESOP – Plan 2002

In nos

	2008-09	2007-08	2006-07	2005-06	2004-05
Options outstanding at the beginning of the year	3,000	3,000	156,600	116,600	80,200
Options granted during the year	-	-	-	40,000	40,000
Options exercised during the year	3,000	-	-	-	-
Options lapsed during the year	-	-	153,600	-	3,600
Options outstanding at the end of the year	-	3,000	3,000	156,600	116,600

ESOP Plan 2003

In nos

	2008-09	2007-08	2006-07	2005-06	2004-05
Options outstanding at the beginning of the year	-	-	-	50,000	25,000
Options granted during the year	-	-	-	-	25000
Options exercised during the year	-	-	-	-	-
Options lapsed during the year	-	-	-	50000	-
Options outstanding at the end of the year	-	-	-	-	50,000

ESOP Plan 2007

Options granted under the 2007 plan entitle the holder thereof to apply for one equity share of the Company at an exercise price of Rs 32/- per share. All the options issued under this plan have vested in November 2007. The Exercise Period shall be 3 years from the Date of Vesting of Options or the date the Company communicates its decision to go for an Initial Public Offer, whichever is earlier.

The movement in the options granted under ESOP Plan 2007 plan is given below:

In nos

	2008-09	2007-08	2006-07	2005-06	2004-05
Options outstanding at the beginning of the year	187,500	-	-	-	-
Options granted during the year	-	187,500	-	-	-
Options exercised during the year	162,500	-	-	-	-
Options lapsed during the year	25,000	-	-	-	-
Options outstanding at the end of the year	-	187,500	-	-	-

The amount of compensation cost charged off to Profit and Loss account on account of ESOP Plan during the year is Rs. NIL (PY 2007-08 was Rs. 58,12,500/-).

Consequent to exercise of 1,62,500 options in the current year Rs 50,37,500 has been transferred to Securities Premium account The balance of Rs 7,75,000 has been transferred to General Reserve in 2008-09.

There are no pending option under any of the ESOP schemes as at 31st March 2009.

2.12 Dividend remitted in foreign currencies

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

	2008-09	2007-08	2006-07	2005-06	2004-05
Interim dividend					
Period to which it relates	-	2007-08	2006-07	-	-
Number of non resident share holders	-	3	3	-	-
Number of shares	-	25,27,363	25,27,363	-	-

	2008-09	2007-08	2006-07	2005-06	2004-05
Amount remitted (Rs lakhs)	-	50.55	37.91	-	-
Final dividend					
Period to which it relates	-	2006-07	2005-06	2004-05	2003-04
Number of non resident share holders	-	3	3	3	3
Number of shares	-	25,27,363	25,27,363	25,27,363	25,27,363
Amount remitted (Rs lakhs)	-	12.64	25.27	14.80	15.16

2.13 Commitments and contingencies

(Rs. in lakhs)

	2008-09	2007-08	2006-07	2005-06	2004-05
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	14.09	110.02	0.49	22.98	-
Service tax related matters	36.09	36.09	36.09	-	-
Income tax related matters	-	21.82	-	-	-
Counter Guarantees issued to the Bank for the Bank Guarantees obtained	153.00	-	-	-	-

The Company has received a show cause notice dated July 18, 2007 requiring the Company to show cause as to why service tax (including cess) of Rs.3,609,338 along with interest and penalty should not be demanded from the Company relating to an earlier period. Management contends that the Company has sufficient grounds to defend its position and has filed its reply to the Department furnishing the necessary explanations / responses to support its position. Consequently, no provision has been made for the same in these financial statements.

2.14 Exposure in foreign currency

Exposure in foreign currency

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank.

(a) Forward contracts pending as at the Balance Sheet are as below:

Particulars	31.03.09	31.03.08
Number of Contracts (Sell)	NIL	NIL
Value in Foreign currency	NIL	NIL
Value in INR	NIL	NIL

The company has not entered into any other derivative instruments during the year.

(b) The details of foreign currency balances which are not hedged as at 31st March 2009, 31st March 2008 and 31st March 2007 are as below:

		31.03.09		31.03.08		31.03.07	
	FCY	**Amount in FCY**	**Amount Rs. lakhs**	**Amount in FCY**	**Amount Rs. lakhs**	**Amount in FCY**	**Amount Rs. lakhs**
Sundry Debtors	GBP	863,876	629.42	540,992	430.25	1,118,562	968.24
Sundry Debtors	SGD	65,700	22.55	664,860	192.41	1,215,214	349.89
Sundry Debtors	USD	2,153,290	1,097.10	2,743,268	1,096.48	787,526	343.35
Sundry Debtors	AUD	257,084	91.68	88,653	32.50	-	-
Sundry Debtors	CHF	39,793	18.08	38,084	15.29	-	-
Sundry Debtors	Euro	202,072	136.36	147,265	92.91	-	-
Sundry Debtors	AED	2,192,215	311.51	-	-	-	-

		31.03.09		31.03.08		31.03.07	
	FCY	**Amount in FCY**	**Amount Rs. lakhs**	**Amount in FCY**	**Amount Rs. lakhs**	**Amount in FCY**	**Amount Rs. lakhs**
Loans and advances	USD	34,298	17.48	288,845	115.45	8,046	3.54
Loans and advances	SGD	-	-	286,509	82.91	52,552	15.08
Loans and advances	GBP	75,463	54.98	37,121	29.52	-	-

Loans and advances	AUD	3,250	1.16	10	-	-	-
Loans and advances	HKD	-	-	46,000	2.55	-	-
Loans and advances	Euro	8,985	6.06	2,320	1.46	2,320	1.25
Loans and advances	AED	144,776	20.57	-	-	-	-
Sundry Creditors	AUD	5,762	2.05	1,320	0.48	-	-
Sundry Creditors	GBP	5,779	4.21	8,820	7.01	-	-
Sundry Creditors	Euro	5,090	3.43	-	-	-	-

2.15 Leases (Rent)

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

(Rs. in lakhs)

Particulars	2008-09	2007-08	2006-07
Lease payments recognized in the profit and loss account for the year	341.33	279.09	242.18
Minimum Lease Payments			
Not later than one year	248.42	72.90	227.51
Later than 1 year but not later than 5 years	511.52	876.27	217.52
Later than 5 years	29.06	-	-
Total	789.00	949.17	445.03

2.16 Segment reporting

Segmental information

(Rs. in lakhs)

	Sales Revenue by Geographical Market		
	2008-09	2007-08	2006-07
Within India	317.89	594.52	241.49
Outside India	8,578.06	6,382.74	5,024.49
Total	8,895.95	6,977.26	5,265.98

2.17 Related party disclosures

Subsidiaries

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

Key Management personnel

Mr. Asvini Kumar A V - Managing Director
Mrs. Vanaja Arvind - Executive Director

Relatives of Key Management personnel

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

Investor having significant influence

Euro Indo Investments

Companies in which Directors have significant influence

M/s Virtus Advisory Services Private Limited

Transactions and balances with related parties:

(Rs. in lakhs)

Particulars	Nature of Relationship	Name of the Related party	31-Mar-09	31-Mar-08	31-Mar-07
Income					
Income from services rendered	Subsidiary	Thinksoft Global Services, Inc.	8.81	52.14	-
	Subsidiary	Thinksoft Global Services Pte Ltd	13.12	74.14	50.69
Interest Income	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	5.57	-
Expenses					
Managerial remuneration	Key Management Personnel	Mr A V Asvini Kumar	89.50	80.00	78.00
	Key Management Personnel	Ms Vanaja Arvind	89.50	96.00	93.00

Particulars	Nature of Relationship	Name of the Related party	31-Mar-09	31-Mar-08	31-Mar-07
Rent	Key Management Personnel	Mr A V Asvini Kumar	2.23	1.80	1.62
	Relative of Key Management Personnel	A K Latha	1.80	0.96	0.96
	Relative of Key Management Personnel	A K Krishna	1.80	0.96	0.96
Salary	Relative of Key Management Personnel	Ms Aarti Arvind	10.60	22.10	16.50
Professional Services	Relative of Key Management Personnel	Mr. Chalapathi Rao Peddineni	9.03	3.69	-
Other Transactions					
Interim Dividend Paid	Key Management Personnel	A V Asvini Kumar	-	64.66	48.49
	Key Management Personnel	Vanaja Arvind	-	17.70	13.27
	Investor having significant influence	Euro Indo Investments	-	44.69	33.52
	Relative of Key Management Personnel	A K Latha	-	4.39	3.29
	Relative of Key Management Personnel	V Lalitha Devi	-	0.21	0.15
	Relative of Key Management Personnel	A K Krishna	-	4.10	3.06
	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	8.36	-
Proposed Final Dividend	Key Management Personnel	A V Asvini Kumar	36.43	-	16.16
	Key Management Personnel	Vanaja Arvind	10.51	-	4.42
Proposed Final Dividend	Investor having significant influence	Euro Indo Investments	24.83	-	11.17

Particulars	Nature of Relationship	Name of the Related party	31-Mar-09	31-Mar-08	31-Mar-07
	Relative of Key Management Personnel	A K Latha	2.44	-	1.10
	Relative of Key Management Personnel	V Lalitha Devi	0.11	-	0.05
	Relative of Key Management Personnel	A K Krishna	2.28	-	1.03
	Relative of Key Management Personnel	Aarti Arvind	0.33	-	-
	Relative of Key Management Personnel	Chalapathi Rao Peddineni	0.11	-	-
Loans made by the Company	Subsidiary	Thinksoft (India) Services Pvt. Ltd.	-	-	17.11
	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	134.00	-
Refund of Loans to the Company	Subsidiary	Thinksoft (India) Services Pvt. Ltd.	-	-	17.13
	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	134.00	-
Purchase of Fixed Assets	Subsidiary	Thinksoft (India) Services Pvt. Ltd.	-	-	7.33
<u>Outstanding balances:</u>					
Sundry Debtors	Subsidiary	Thinksoft Global Services Pte Ltd.	4.12	74.14	50.52
	Subsidiary	Thinksoft Global Services Inc	4.59	52.14	-
Loans and advances	Subsidiary	Thinksoft Global Services Pte Ltd	20.56	82.92	15.08
	Subsidiary	Thinksoft Global services Inc	125.04	39.71	2.28
	Subsidiary	Thinksoft Global Services (Europe) GmbH	1.43	1.46	1.25
Sundry Creditors	Key Management Personnel	Mr A V Asvini Kumar	1.82	1.70	2.34

Particulars	Nature of Relationship	Name of the Related party	31-Mar-09	31-Mar-08	31-Mar-07
Provision for expense	Key Management Personnel	Mr A V Asvini Kumar	29.50	62.00	60.00
	Key Management Personnel	Ms Vanaja Arvind	29.50	60.00	57.00
Dividend Payable	Key Management Personnel	A V Asvini Kumar	36.43	-	16.16
	Key Management Personnel	Vanaja Arvind	10.51	-	4.42
	Investor having significant influence	Euro Indo Investments	24.83	-	11.17
	Relative of Key Management Personnel	A K Latha	2.44	-	1.10
	Relative of Key Management Personnel	V Lalitha Devi	0.11	-	0.05
	Relative of Key Management Personnel	A K Krishna	2.28	-	1.02
	Relative of Key Management Personnel	Aarti Arvind	0.33	-	-
	Relative of Key Management Personnel	Chalapathi Rao Peddineni	0.11	-	-
Investments	Subsidiary	Thinksoft (India) Services Private Limited	1.00	1.00	1.00
	Subsidiary	Thinksoft Global Service Pte Ltd	26.58	26.58	26.58
	Subsidiary	Thinksoft Global Services Inc	46.25	46.25	46.25
	Subsidiary	Thinksoft Global Services (Europe) GmbH	27.15	27.15	27.15

2.18 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD – 15 (REVISED)

The Company has adopted Accounting Standard 15 (Revised 2005) on Employee Benefits effective 1st April 2007. Pursuant to this the company has reassessed the liabilities on various employee benefits as on date and the additional liability arising thereon has been charged to the Profit & Loss Account

(Rs. in lakhs)

(i) **Short Term Plan – Leave Salary**

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

		2008-09	2007-08
	Liability at the beginning of the period /year	62.11	-
	Leave salary relating to opening period adjusted to general reserves directly	-	41.24
	Leave salary cost accounted for the year	13.12	20.87
	Total liability as at period/year end	75.23	62.11

(ii) **Defined Benefit Plans – Gratuity**

(I)	**Change in Benefit Obligation**	**2008-09**	**2007-08**
	Liability at the beginning of the period/year	83.97	28.91
	Interest Cost	6.35	2.22
	Current Service Cost	44.93	38.31
	Past Service Cost (Vested Benefit)	-	-
	Past Service Cost (Non Vested Benefit)	-	-
	Benefit Paid	(9.24)	(2.44)
	Actuarial (gain)/loss on obligations	35.86	16.97
	Liability at the end of the period /year	161.87	83.97

(II)	**Fair Value of Plan Assets**		
	Fair Value of plan assets at the beginning of the period/year	16.35	17.40
	Expected Return on Plan Assets	0.94	1.29
	Contributions	-	-
	Benefit Paid	(9.24)	(2.44)
	Actuarial gain/(loss) on Plan Assets	8.23	0.10
	Fair Value of plan assets at the end of the period/year	16.28	16.35

(III)	**Actual Return on Plan Assets**	**2008-09**	**2007-08**
	Expected Return on Plan Assets	0.94	1.29

	Actuarial gain/(loss) on Plan Assets	8.23	0.10
	Actual Return on Plan Assets	9.17	1.39

(IV)	**Amount recognised in the balance Sheet**		
	Present value of the obligation	161.87	83.97
	Fair Value of Plan Assets	16.28	16.35
	Difference (Funded Status)	145.59	67.62
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	1.39
	Amount recognised in the Balance Sheet	145.59	69.00

(V)	**Expenses recognised in the Income Statement**		
	Current Service Cost	44.93	38.31
	Interest Cost	6.35	2.22
	Expected Return on Plan Assets	(0.94)	(1.29)
	Net Actuarial (Gain)/loss to be recognised	27.63	16.88
	Transitional Liability recognized in the year	-	-
	Past service cost – non vested benefits	-	-
	Past Service Cost – vested benefits	-	-
	Expense recognised in Profit & Loss Account	77.97	56.11

(VI)	**Balance Sheet Reconciliation**		
	Opening Net Liability as per books	67.62	29.68
	Transitional liability adjusted to opening reserves and deferred taxes	-	(18.16)
	Expense as above	77.97	56.11
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	1.39
	Contribution Paid	-	-
	Amount recognised in Balance Sheet	145.59	69.00

(VII)	**Actuarial Assumptions : For the year**		
	Discount Rate Current	8.00%	8.00%

	Expected Rate of Return on Plan Assets	8.00%	8.00%
	Salary Escalation Current	10.00%	7.00%
	Attrition rate	10.00%	30.00%

(VIII)	**Investment details – as at period end**		
	Funds Managed by company	100%	100%

2.19 Deferred Tax

The break up of net deferred tax asset is as under:

Deferred tax assets arising on timing differences on account of:

(Rs. in lakhs)

	March 31, 2009	**March 31, 2008**
Deferred Tax at the beginning of the year	34.07	-
Deferred Tax on opening reserve adjustment on gratuity liability (AS 15 revised)	-	6.17
Deferred Tax credit to the CY P&L	28.20	40.24
Net Deferred Tax Asset as at year end, made up of:	62.27	34.07
- Depreciation on Fixed Assets	12.78	10.62
- Provision for Gratuity	49.49	23.45

2.20 Earnings per Share

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Net Profit after tax (Rs)	138,791,318	93,408,324	80,753,256	36,835,010	7,097,986
Weighted average number of equity shares @ Rs 10/- each outstanding	8,223,255	7,364,256	7,146,710	7,067,683	7,067,683
Basic earnings per share (in Rs.)	16.88	12.68	11.30	5.21	1.00
Potential equity shares	-	81,220	12,900	-	-
Weighted average number of shares used as denominator for Diluted earnings per share	8,223,255	7,445,476	7,159,610	7,067,683	7,067,683
Diluted earnings per share (in Rs.)	16.88	12.55	11.28	5.21	1.00

2.21 Prior period comparatives

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

2.22 The auditors have drawn reference to delay in payment of a sum of Rs.81,34,634 relating to provident fund contribution (both employer and employee share) for international workers made applicable from November 08. This has since been remitted in June '09.

During the year there was an amendment to the Provident Fund Act incorporating special provisions for International Workers. Even though the effective date was from 1st November 2008, the detailed guidelines were issued much later, providing clarity to the issue. It took time to understand the applicability of the provisions to us and after due consultations the company has since covered the applicable employees and remitted a sum of Rs.81,34,634/-.

2.23 All significant notes to the accounts, significant policies, and auditors qualification have been included in the Annexure IV.

2.24 There are no other material notes to the auditors report which has financial bearing on the company.

Schedule IV- A Notes on Adjustments made in the Unconsolidated restated Financial Restatements

(Rs. in lakhs)

	Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Accumulated Profit as at 01st April 2004
	A. Summary of adjustment on account of change in accounting policies, prior period items and material items						
1	Earlier years tax adjustment						
	Earlier year adjustments relating to income tax as disclosed in the Profit & Loss Account have been restated and charged to the respective years to which they are related.						
	Short provision for FY 2000-2001 adjusted in FY 2004-05	-	-	-	-	(14.27)	14.27
	Short provision for FY 2003-2004 adjusted in FY 2004-05	-	-	-	-	(6.59)	6.59
	Excess Provision for FY 2004-05 adjusted in FY 2005-06	-	-	-	0.69	(0.69)	-
	Short provision for FY 2005-06 adjusted in FY 2006-07	-	-	(1.00)	1.00	-	-
	Excess Provision for FY 2006-07 adjusted in FY 2007-08	-	1.64	(1.64)	-	-	-
	TOTAL	-	**1.64**	**(2.64)**	**1.69**	**(21.55)**	**20.86**
2	Change in rate of depreciation for Computers						
	Rate of depreciation was reduced from 50% to 33.33% from FY 2003-04 . The effect for the period upto 31st Mar 2003 has	-	-	-	-	-	-

	Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Accumulated Profit as at 01st April 2004
	been adjusted now						
3.	Deferred tax adjustment						
	Deferred tax asset was recognised in Thinksoft Global Services Limited only from the Financial year ended 31st March 2008.This has now been restated by reworking the same retrospectively.	-	13.26	(6.00)	(3.57)	1.86	(5.55)
	Total	-	**14.90**	**(8.64)**	**(1.88)**	**(19.69)**	**15.31**
	B. Summary of re-groupings made to keep previous years' figures in line with restated financial statement.						
	Loans & Advance						
	As per Audited Financials	1,055.25	721.50	274.82	369.98	239.02	336.86
	Adjustments						
	Interest accrued on deposits & Loans is grouped under Other current assets from the year 2005-06 onwards. Till then it was being grouped under Loans & Advances This regrouping has been now effected for year 2003-04 & 2004-05 also.	-	-	-	-	(2.47)	(8.35)
	Adjustment of prepaid taxes consequent to restatement of earlier year adjustment to income tax in Profit & Loss account.	-	-	1.64	(1.00)	0.69	(20.86)
	As per restated Financials	**1,055.25**	**721.50**	**276.46**	**368.98**	**237.24**	**307.65**

	Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Accumulated Profit as at 01st April 2004
	Other Current Assets						
	As per Audited Financials	11.51	25.50	0.96	57.51	-	8.35
	Adjustments						
	Interest accrued on deposits & Loans is grouped under Other current assets from the year 2005-06 onwards. Till then it was being grouped under F & Advances This regrouping has been now effected for year 2003-04 & 2004-05 also	-	-	-	-	2.47	-
	As per restated Financials	**11.51**	**25.50**	**0.96**	**57.51**	**2.47**	**8.35**

Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
C. Reconciliation between audited and restated Reserves & Surplus					
Reserves & Surplus As per audited financials	3,499.62	2,206.65	1,374.26	741.65	455.76
Add/(Less):					
Adjustments made to Accumulated Profit as per (A) above					
Prior to 2003-04	0.53	0.53	0.53	0.53	0.53
for the year 2003-04	(15.84)	(15.84)	(15.84)	(15.84)	(15.84)
for the year 2004-05	19.69	19.69	19.69	19.69	19.69
for the year 2005-06	1.87	1.87	1.87	1.87	-
for the year 2006-07	8.65	8.65	8.65	-	-
for the year 2007-08	(14.90)	(14.90)	-	-	-
As per Restated Financials	**3,499.62**	**2,206.65**	**1,389.16**	**747.90**	**460.14**

Retirement Benefits:- Accounting Standard 15 (Revised 2005) on 'Employee Benefits' was applicable from April 1, 2007. Accordingly the liability for employee benefits has been calculated and recognized as per the revised Accounting Standard - 15 for the year ended March 31, 2008. The additional provision for the earlier years has been adjusted against the general reserve as on 1st April 2007.

ANNEXURE V : DETAILS OF UNCONSOLIDATED RESTATED SUNDRY DEBTORS

(Rs. in lakhs)

Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Sundry debtors (Unsecured, considered good)					
Outstanding for a period exceeding six months	85.40	6.65	61.44	4.41	10.71
Others	2268.64	2010.40	1,672.29	966.40	480.61
Sundry debtors (Unsecured, considered Doubtful)					
Outstanding for a period exceeding six months	5.61	-	-	-	-
Others	106.95	-	-	-	-
Less; Provision for Doubtful Debts	**(112.56)**	-	-	-	-
Total	**2,354.04**	**2017.05**	**1,733.73**	**970.81**	**491.32**

Note: None of the beneficiaries of Sundry Debtors are related to the Promoters/Directors of the Company.

***ANNEXURE* VI : DETAILS OF UNCONSOLIDATED RESTATED LOANS AND ADVANCES**

(Rs. in lakhs)

Particulars	As at 31.03.09	As at 31.03.08	As at 31.03.07	As at 31.03.06	As at 31.03.05
Loans and advances					
Advances recoverable in cash or in kind or for value to be received	385.73	197.45	32.45	77.47	11.87
Prepaid expenses	35.07	21.06	36.22	19.08	54.78
Minimum Alternate Tax credit entitlement	192.60	68.45	-	-	-
Advance Income Taxes and taxes deducted at source (net of provisions)	2.04	1.35	1.64	(1.00)	20.10

Deposits	245.66	305.06	184.67	214.49	117.78
Dues from Subsidiaries	147.03	124.09	18.62	58.91	-
Loans to subsidiary	-	-	-	0.03	32.71
Service Tax Input credit with Excise and customs	47.12	4.04	2.86	-	-
Total	**1,055.25**	**721.50**	**276.46**	**368.98**	**237.24**

Note: None of the beneficiaries of Loans and Advances are related to the Promoters/Directors of the Company, except to the extent disclosed in Annexure – XIV (details of transaction with related parties).

ANNEXURE VII DETAILS OF RESTATED UNCONSOLIDATED SECURED AND UNSECURED LOANS

(Rs. in lakhs)

Particulars	**As at 31.03.09**	**As at 31.03.08**	**As at 31.03.07**	**As at 31.03.06**	**As at 31.03.05**
Secured Loans	**-**	**-**	**-**	**1.11**	**6.37**
Unsecured Loans	-	-	-	-	-
Total	**-**	**-**	**-**	**1.11**	**6.37**

There are no Secured and Unsecured loans outstanding as on 31st March, 2009.

<u>Details of Secured Loans</u>

Name of the Bank/ Institution	**Description**	**Amount of Loan Sanctioned**	**Amount outstanding as on 31st March, 2009**	**Date of Sanction**	**Rate of Interest**	**Repayment Terms**	**Security Offered**
Lakshmi Vilas Bank , Chennai	Cash Credit	Rs. 250 lakhs	NIL	30.10.2007	13.00%	On demand	1. First pari passu charge by way of Hypothecation of entire Current assets of the company, including book debts. 2. The facility limit is secured by first charge by way of hypothecation of the company

							movable fixed assets, consisting computer equipments, office equipments etc. 3. Personal security of Promoter Directors.

There are no re-schedulement, repayment, penalty or default on the above loan.

ANNEXURE VIII: DETAILS OF UNCONSOLIDATED RESTATED OTHER INCOME

(Rs in lakhs)

Particulars	**Year ended 31.03.09**	**Year ended 31.03.08**	**Year ended 31.03.07**	**Year ended 31.03.06**	**Year ended 31.03.05**
Other income, as per Statement of Unconsolidated restated Profits and Losses, (A)	302.74	20.12	34.24	18.82	40.32
Net Profit before tax, as per Statement of Unconsolidated restated Profits and Losses, (B)	1544.35	1,027.48	873.95	401.84	84.15
Percentage (A/B)	**19.60%**	**1.96%**	**3.92%**	**4.68%**	**47.91%**

(Rs. in lakhs)

Sources and Particulars of Other Income	**Nature**	**Year ended 31.03.09**	**Year ended 31.03.08**	**Year ended 31.03.07**	**Year ended 31.03.06**	**Year ended 31.03.05**
Interest received on deposits with banks	Recurring	23.72	13.34	7.46	17.29	34.26
Interest received from others	Non-recurring	5.43	6.78	-	-	-
Profit on sale of fixed assets	Non-recurring	62.77	-	0.56	-	3.12
Exchange gain	Non-recurring	210.72	-	26.22	-	-
Dividend received from subsidiary companies	Non-recurring	-	-	-	-	-
Miscellaneous income	Non-recurring	0.10	-	-	1.53	2.94
Other income as per unconsolidated restated profit and loss account (C)		**302.74**	**20.12**	**34.24**	**18.82**	**40.32**

The classification of "Other Income" as recurring and non-recurring is based on the current operations and business activity of the company as determined by Management.

ANNEXURE – IX : RESTATED CONTINGENT LIABILITES

(Rs. in lakhs)

Particulars	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	14.09	110.02	0.49	22.98	**-**
Service tax related matters	36.09	36.09	36.09	-	**-**
Income tax related matters	-	21.82	-	-	**-**
Counter Guarantees issued to the Bank Guarantees obtained	153.00	-	-	-	**-**

ANNEXURE X : STATEMENT OF UNCONSOLIDATED MAJOR ACCOUNTING RATIOS

	2008-09	2007- 08	2006-07	2005-06	2004-05
Basic Earnings per Share (Rs.)	16.88	12.68	11.30	5.21	1.00
Diluted Earnings per Share (Rs)	16.88	12.55	11.28	5.21	1.00
Return on Net Worth %	31.76%	30.82%	38.21%	25.32%	6.08%
Net Asset Value per Equity Share (Rs.)	50.22	39.56	29.17	20.58	16.51
Total Debt /Equity Ratio	-	-	-	-	0.01
Weighted average number of equity shares outstanding during the year / period	8,223,255	7,364,256	7,146,710	7,067,683	7,067,683
Total number of equity shares at the end of the year / period	8,701,581	7,662,703	7,244,645	7,067,683	7,067,683

1. Earnings per share (Rs.) : $\frac{\text{Net Profit restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

2. Return on Net worth (%) : $\frac{\text{Net Profit after Tax, as restated}}{\text{Net Worth at the end of the year}}$

3. Net Assets Value per Equity share (Rs.) : $\frac{\text{Networth as at the end of the year}}{\text{Number of equity shares outstanding during the year}}$

4. Total Debt/Equity Ratio : $\frac{\text{Long term debt + Short Term debt}}{\text{Equity Share Capital +Reserves and Surplus}}$

5. Networth means Equity Share Capital + Reserves and Surplus

ANNEXURE – XI CAPITALIZATION STATEMENT AS AT March 31, 2009

(Rs. in lakhs)

Particulars	**Pre-issue as at Mar 31, 2009**	**Post Issue***
Short-term debt (A)	-	
Long-term debt (B)	-	
Total debt (C = A+B)	**-**	
Shareholders' funds		
Equity share capital	870.16	
Reserves and surplus, as restated	3,499.62	
Total shareholders' funds (D)	**4,369.78**	
Long-term debt/Shareholders' funds (B/D)	-	
Total debt/Shareholders' funds (C/D)	**-**	

* Share Capital and Reserves, post issue can be ascertained only on the conclusion of Book building process.

ANNEXURE XII : STATEMENT OF UNCONSOLIDATED DIVIDEND PAID

(Rs. in lakhs)

Particulars	**2009**	**2008**	**2007**	**2006**	**2005**
Equity share capital (Rs.)	870.16	766.27	724.46	706.77	706.77
Interim Dividend in %	-	20.00%	15.00%	-	-
Amount of interim dividend (Rs.)	-	153.25	108.67	-	-
Dividend tax on interim dividend (Rs.)	-	26.05	15.24	-	-
Final Dividend in %	10.00%	-	5.00%	10.00%	6.00%
Amount of final dividend (Rs.)	87.02	-	36.22	70.68	42.41
Dividend tax on final dividend (Rs.)	14.78	-	6.16	9.91	5.95

ANNEXURE XIII: STATEMENT OF UNCONSOLIDATED RESTATED TAX SHELTER

(Rs. in lakhs)

Particulars	Year ended 31.03.09	Year ended 31.03.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05
Net Profit/ (Loss) before current taxes, as restated	1,544.35	1,027.48	873.95	401.84	84.15
Income tax rate					
Basic rate	30.00%	30.00%	30.00%	30.00%	35.00%
Surcharge	10.00%	10.00%	10.00%	10.00%	2.50%
Education cess	3.00%	3.00%	2.00%	2.00%	2.00%
Total Rate	33.99%	33.99%	33.66%	33.66%	36.59%
Tax at notional rate (A)	524.92	349.24	294.17	135.26	30.79
Adjustments:					
Permanent Differences					
Expenses of capital in nature disallowed	(34.56)	-	(0.56)	0.78	(3.12)
Deduction under section 10A of the Income Tax Act, 1961	(1,619.54)	(1,050.75)	(830.91)	(343.37)	(29.31)
Excess Provision withdrawn not considered as income	-	-	-	-	(12.00)
Share issue expenses disallowed	-	2.24	-	-	-
Other expenses disallowed	1.55	1.70	1.26	1.31	5.58
Total (B)	(1,652.55)	(1,046.81)	(830.21)	(341.28)	(38.85)
Timing Differences					
Preliminary expenses written off (section 35D of the Act)	-	-	-	-	(0.09)
Difference between Book Depreciation and Tax Depreciation	36.97	14.34	16.03	(3.53)	(3.20)
Disallowance under section 40(a) of the Act	106.81	81.01	13.50	16.18	-
Expenses disallowed under 43(B)	-	58.15	-	17.76	-
Expenses disallowed in earlier year, now claimed	(9.24)	(2.66)	(17.70)	-	-
Disallowance of Provision for Doubtful Debts	112.56	-	-	-	-
Utilisation of brought forward losses	-	-	-	(30.52)	(11.12)

Particulars	Year ended 31.03.09	Year ended 31.03.08	Year ended 31.03.07	Year ended 31.03.06	Year ended 31.03.05
Total (C)	247.10	150.84	11.83	(0.11)	(14.41)
Net Adjustment **(D = B+C)**	(1,405.45)	(895.97)	(818.38)	(341.39)	(53.26)
Tax Saving thereon **(E)**	(477.71)	(304.54)	(275.47)	(114.91)	(19.49)
Net tax impact **(F = A+E)**	47.21	44.70	18.70	20.35	11.30
Tax under normal provisions of the Act **(G)**	47.21	44.70	18.70	20.35	11.30
Tax under MAT **(H)**	171.38	113.82	4.38	6.30	3.70
Notional current domestic tax provision for the year [Max of (G) & (H)]	171.38	113.82	18.70	20.35	11.30
Provision for current domestic tax as per the books of account net of MAT credit	152.92	97.49	53.78	22.20	11.30

Annexure XIV : RELATED PARTY DISCLOSURES

LIST OF UNCONSOLIDATED RELATED PARTIES AND NATURE OF RELATIONSHIP

Particulars	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Nature of relationship	**Name of Party**	**Name of Party**	**Name of Party**	**Name of Party**	**Name of Party**
Key Managerial Personnel	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar
	Ms Vanaja Arvind	Ms Vanaja Arvind	Ms Vanaja Arvind	Ms Vanaja Arvind	Ms Vanaja Arvind
Relatives of the Key Managerial Personnel	Ms. A K Latha	Ms. A K Latha	Ms. A K Latha	Ms. A K Latha	Ms. A K Latha
	Ms. Lalitha Devi	Ms. Lalitha Devi	Ms. Lalitha Devi	Ms. Lalitha Devi	Ms. Lalitha Devi
	Mr. A K Krishna	Mr. A K Krishna	Mr. A K Krishna	Mr. A K Krishna	Mr. A K Krishna
	Ms. Aarti Arvind	Ms. Aarti Arvind	Ms. Aarti Arvind	Ms. Aarti Arvind	Ms. Aarti Arvind
	Mr. Chalapathi Rao Peddineni	Mr. Chalapathi Rao Peddineni	-	-	-
Company in which Directors have significant influence	Virtus Advisory Services Private Ltd	Virtus Advisory Services Private Ltd	-	-	-
Subsidiary companies	Thinksoft (India) Services Pvt Ltd	Thinksoft (India) Services Pvt Ltd	Thinksoft (India) Services Pvt Ltd	Thinksoft (India) Services Pvt Ltd	Thinksoft (India) Services Pvt Ltd
	Thinksoft Global Services Pte Ltd	Thinksoft Global Services Pte Ltd	Thinksoft Global Services Pte Ltd	Thinksoft Global Services Pte Ltd	Thinksoft Global Services Pte Ltd
	Thinksoft Global Services Inc.	Thinksoft Global Services Inc.	Thinksoft Global Services Inc.	Thinksoft Global Services Inc.	Thinksoft Global Services Inc.
	Thinksoft Global Services (Europe) GmbH	Thinksoft Global Services (Europe) GmbH	Thinksoft Global Services (Europe) GmbH	Thinksoft Global Services (Europe) GmbH	-
Investor having significant influence	Euro Indo Investments	Euro Indo Investments	Euro Indo Investments	Euro Indo Investments	Euro Indo Investments

TRANSACTIONS WITH RELATED PARTIES

(Rs. in lakhs)

Particulars	Nature of Relationship	Name of the Related party	2008-09	2007-08	2006-07	2005-06	2004-05
Interest Income	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	5.57	-	-	-
Income from services rendered	Subsidiary	Thinksoft Global Services Inc	8.81	52.14	-	54.67	-
	Subsidiary	Thinksoft Global Services Pte Ltd	13.12	74.14	50.69	-	-
Managerial remuneration	Key Managerial Personnel	Mr A V Asvini Kumar	89.50	80.00	78.00	61.43	38.24
	Key Managerial Personnel	Ms Vanaja Arvind	89.50	96.00	93.00	61.42	-
Expense Reimbursable	Subsidiary	Thinksoft India Services Private Limited	-	-	-	1.95	-
		Thinksoft Global Services Pte Ltd	-	-	-	12.99	-
		Thinksoft Global Services Inc	-	-	4.79	83.20	-
Rent	Key Managerial Personnel	Mr A V Asvini Kumar	2.23	1.80	1.62	1.20	1.20
	Relative of Key Managerial Personnel	Ms. A K Latha	1.80	0.96	0.96	-	-

		Mr. A K Krishna	1.80	0.96	0.96	-	-
Salary	Relative of Key Managerial Personnel	Ms. Aarti Arvind	10.60	22.10	16.5	-	-
Professional Charges	Relative of Key Managerial Personnel	Mr. Chalapathi Rao Pedineni	9.03	3.69	-	-	-
		Ms. Aarti Arvind	-	-	-	-	-
Interim Dividend Paid	Key Managerial Personnel	Mr A V Asvini Kumar	-	64.66	48.49	-	-
	Key Managerial Personnel	Ms Vanaja Arvind	-	17.70	13.27	-	-
	Relative of Key Managerial Personnel	Ms. A K Latha	-	4.39	3.29	-	-
	Relative of Key Managerial Personnel	Ms. Lalitha Devi	-	0.21	0.15	-	-
	Relative of Key Managerial Personnel	Mr. A K Krishna	-	4.10	3.08	-	-
	Investor having significant influence	Euro Indo Investments	-	44.69	33.52	-	-
	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	8.36	-	-	-
Proposed Final Dividend	Key Managerial Personnel	Mr A V Asvini Kumar	36.43	-	16.16	32.33	19.40
	Key Managerial Personnel	Ms Vanaja Arvind	10.51	-	4.42	7.08	4.24
	Relative of Key Managerial Personnel	Ms. A K Latha	2.44	-	1.10	2.19	1.32

	Relative of Key Managerial Personnel	Ms. Lalitha Devi	0.11	-	0.05	0.1	0.06
	Relative of Key Managerial Personnel	Mr. A K Krishna	2.28	-	1.03	2.05	1.23
	Relative of Key Managerial Personnel	Ms Aarti Arvind	0.33	-	-	-	-
	Relative of Key Managerial Personnel	Mr Chalapathi Rao Peddineni	0.11	-	-	-	-
	Investor having significant influence	Euro Indo Investments	24.83	-	11.17	22.35	13.41
Other transactions:							
Advances made by the Company	Key Managerial Personnel	Mr A V Asvini Kumar	-	-	-	0.21	0.39
Refund of advances to the Company	Key Managerial Personnel	Mr A V Asvini Kumar	-	-	-	0.26	0.39
Advance given by the Company	Subsidiary	Thinksoft Global Services Pte Ltd	-	-	-	24.59	-
		Thinksoft Global Services (Europe) GmbH	-	-	-	1.25	-
Loans made by the Company	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	134.00	-	-	-
	Subsidiary	Thinksoft India Services Private Limited	-	-	17.10	76.01	-

Refund of loans to the Company	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	134.00	-	-	-
	Subsidiary	Thinksoft India Services Private Limited	-	-	17.13	110.45	-
Purchase of Fixed Assets	Subsidiary	Thinksoft India Services Private Limited	-	-	7.33	-	-
<u>Outstanding balances:</u>							
Sundry Debtors	Subsidiary	Thinksoft Global Services Pte Ltd	4.12	74.14	50.52	-	-
		Thinksoft Global Services Inc	4.59	52.14	-	-	-
Loans and Advances	Subsidiary	Thinksoft India Services Pvt Ltd.	-	-	-	0.03	32.71
		Thinksoft Global Services Pte Ltd	20.56	82.92	15.08	37.59	-
		Thinksoft Global Services Inc	125.04	39.71	2.28	20.08	-
		Thinksoft Global Services (Europe) GmbH	1.43	1.46	1.25	1.25	-
Sundry creditors	Key Managerial Personnel	Mr A V Asvini Kumar	1.82	1.70	2.34	3.16	2.75
	Key Managerial Personnel	Ms Vanaja Arvind	-	-	-	-	-
Provision for expenses	Key Managerial Personnel	Mr A V Asvini Kumar	29.50	62.00	60.00	43.43	20.10

	Key Managerial Personnel	Ms Vanaja Arvind	29.50	60.00	57.00	25.42	-
Balances under Dividend payable	Key Managerial Personnel	Mr A V Asvini Kumar	36.43	-	16.16	32.33	19.40
	Key Managerial Personnel	Ms Vanaja Arvind	10.51	-	4.42	7.08	4.24
	Relative of Key Managerial Personnel	Ms. A K Latha	2.44	-	1.10	-	-
	Relative of Key Managerial Personnel	Ms. Lalitha Devi	0.11	-	0.05	-	-
	Relative of Key Managerial Personnel	Mr. A K Krishna	2.28	-	1.03	-	-
	Investor having significant influence	Euro Indo Investments	24.83	-	11.17	-	-
	Relative of Key Managerial Personnel	Ms Aarti Arvind	0.33	-	-	-	-
	Relative of Key Managerial Personnel	Mr Chalapathi Rao Peddineni	0.11	-	-	-	-
Investment							
Investment made during the year	Subsidiary	Thinksoft Global Services Inc	46.25	46.25	46.25	46.25	46.25
		Thinksoft Global Services (Europe) GmbH	27.15	27.15	27.15	27.15	-
		Thinksoft India Services Pvt. Ltd.	1.00	1.00	1.00	1.00	1.00
		Thinksoft Global Services Pte Ltd	26.58	26.58	26.58	26.58	26.58

ANNEXURE XV - **DETAILS OF INVESTMENTS**

(Rs. in lakhs)

	As at 31.03.2009	**As at 31.03.2008**	**As at 31.03.2007**	**As at 31.03.2006**	**As at 31.03.2005**
Quoted Investments					
In Promoter Group Companies					
Others					
Total (A)	-	-	-	-	-
Unquoted Investments					
In Promoter Group Companies					
Thinksoft India Services P Ltd.	1.00	1.00	1.00	1.00	1.00
Thinksoft Global Services Pte Ltd.,Singapore	26.58	26.58	26.58	26.58	26.58
Thinksoft Global Services Inc., USA	46.25	46.25	46.25	46.25	46.25
Thinksoft Global Services GMBH., Germany	27.15	27.15	27.15	27.15	-
Others	-	-	-	- -	-
Total (B)	100.98	100.98	100.98	100.98	73.83
Grand Total C= (A+B)	100.98	100.98	100.98	100.98	73.83
Less: Provision for diminution in value of investments (D)					
Net Investments	**100.98**	**100.98**	**100.98**	**100.98**	**73.83**
Market value of Quoted Investments	-	-	-	-	-

ANNEXURE XVI - **Changes in Significant accounting policies*.***

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years but for the implementation of AS 15 revised 2005 which has been applied from 2007-08.

AUDITORS REPORT

The Board of Directors
Thinksoft Global Services Limited
Type II, Unit 5,
Dr. Vikram Sarabhai Instronics Estate,
Thiruvanmiyur, Chennai 600 041

Dear Sirs,

Re: Proposed Initial Public issue of Equity Shares of Thinksoft Global Services Limited (formerly Thinksoft Global Services Private Limited)

We have examined the consolidated financial information of Thinksoft Global Services limited (formerly Thinksoft Global services Private Ltd) and its subsidiaries (together referred to as "Group"), annexed to this report for the purpose of inclusion in the Offer Document and initialled by us for identification. The consolidated financial information has been prepared by the Company and approved by the Board of Directors which has been prepared in accordance with:

a) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
b) Securities and Exchange Board of India – Disclosure and Investor Protection Guidelines, 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') pursuant to section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications;
c) the terms of reference received from the Company requesting us to carry out work in connection with the Offer Document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of Equity Shares.

Financial Information as per the Audited Financial Statements

1. We have examined the attached 'Statement of Consolidated Restated Assets and Liabilities' of the Group as at 31st March 2005, 2006, 2007, 2008 and 2009 (Annexure I), 'Statement of Consolidated Restated Profits and Losses' for the year ended March 31 2005, 2006, 2007, 2008 and 2009 (Annexure II) and 'Statement of Consolidated Restated Cash Flows' for the year ended 31st March 2005, 2006, 2007 , 2008 and 2009 (Annexure III), together referred to as 'Consolidated Restated Summary Statements'.

2. These Consolidated Restated Summary Statements have been extracted from the consolidated financial statements of the Company for the year ended 31st March 2009 and year ended 31st March 2008 and from unconsolidated financial statements of the company and its subsidiaries for each of the years ended 31st March 2005, 2006 and 2007 as adopted by the Board of Directors for those respective years.

3. We have audited the unconsolidated and consolidated financial Statements of the Company for the year ended 31st March 2009 and for the year ended 31st March 2008. In issuing our Consolidated Auditors' Report we have relied on the reports of the other auditors of the subsidiary companies. The financial statements audited by other auditors reflect the following values.

(Rs in lakhs)

Year ended	Total Revenue	Net worth	Profit/(Loss) after Tax
31st March 2009	390.01	420.95	61.15
31st March 2008	572.89	1,170.33	47.51

4. Unconsolidated Financial Statements of the Company and all of its subsidiaries for each of the years ended 31st March 2004, 2005, 2006 and 2007 have been audited by other auditors and in issuing this report we have relied on the reports of those other auditors. The financial statements audited by other auditors reflect the following values.

(Rs. in lakhs)

Year ended	Total Revenue	Net worth	Profit after Tax
31st March 2007	5,887.00	2,324.80	946.12
31st March 2006	3,687.98	1,527.28	362.15
31st March 2005	2,216.01	1,245.72	156.20
31st March 2004	1,359.93	1,137.86	(118.70)

5. Based on our examination of these Consolidated Restated Summary Statements, we state that:

   a. Annexure I contains the Consolidated Restated Statement of Assets and Liabilities of the Group as at 31st March 2005, 2006, 2007, 2008 and 2009.

   b. Annexure II contains the Consolidated Restated Statement of Profits and Losses of the Group for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009.

   c. Annexure III contains the Statement of Consolidated Restated Cash Flows for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009.

   d. Annexure IV contains Summary of Notes to Accounts and Significant Accounting Policies.

   e. Annexure IV-A contains the Notes on adjustments made in the Consolidated Restated Summary Statements, which have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Group as at 31st March 2009.

Other Financial Information

6. We have examined the following consolidated information as at and for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 of the Group, proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:
   a. Annexure V contains details of Consolidated restated Sundry Debtors
   b. Annexure VI contains details of Consolidated restated loans and advances

c. Annexure VII contains details of Consolidated restated other current assets
d. Annexure VIII contains details of Consolidated restated current liabilities and provisions
e. Annexure IX contains details of Consolidated restated Secured and Unsecured Loans
f. Annexure X contains details of Consolidated restated other income
g. Annexure XI contains Consolidated Major Accounting Ratios;
h. Annexure XII contains Capitalisation Statement
i. Annexure XIII contains statement of dividends paid / proposed
j. Annexure XIV contains list of Consolidated related parties and nature of relationships
k. Annexure XV contains Details of Consolidated transactions with related parties
l. Annexure XVI contains changes in significant Accounting Policies.

7. In our opinion, the 'Financial Information as per Audited Financial Statements' and 'Other Financial Information' mentioned above as at and for each of the years ended 31st March 2005, 2006, 2007, 2008 and 2009 have been prepared in accordance with Part II of schedule II of the Act and the Guidelines.

8. This report neither should in any way be construed as a reissuance or redating of any of the previous audit reports by us or by any other firms of Chartered Accountants nor should this be construed as a new opinion on any of the Financial Statements referred to herein.

9. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For PKF Sridhar & Santhanam
Chartered Accountants

V Kothandaraman
Partner
Membership No. 25973

Place : Chennai
Date : 11th August,2009

ANNEXURE I

CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In lakhs)

	Particular	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
A.	**Fixed assets :**					
	Gross block	881.84	837.11	674.48	503.06	441.92
	Less: Accumulated Depreciation	(566.63)	(603.37)	(477.58)	(360.49)	(327.51)
	Net block	315.21	233.74	196.90	142.57	114.41
	Capital work-in-progress including capital advances	19.67	48.00	24.44	134.76	-
		334.88	**281.74**	**221.34**	**277.33**	**114.41**
B.	**Deferred tax assets**	62.27	34.07	13.27	8.74	5.07
C.	**Current assets, Loans and Advances :**					
	Sundry debtors	2,385.69	2,037.00	1,864.29	984.97	598.03
	Cash and bank balances	2,655.97	1,472.47	765.64	473.58	583.99
	Loans and advances	941.34	664.88	279.13	324.69	207.99
	Other current assets	20.37	25.50	0.96	57.51	2.47
	Total	**6,003.37**	**4,199.85**	**2,910.02**	**1,840.75**	**1,392.48**
D.	**Liabilities and provisions**					
	Secured loans	-	-	-	1.11	6.37
	Unsecured loans	-	-	-	-	-
	Current liabilities and provisions	1,710.94	1,225.81	819.83	598.43	259.88
	Deferred tax liability (net)	-	-	-	-	-
	Total	**1,710.94**	**1,225.81**	**819.83**	**599.54**	**266.25**
E.	**Networth (A+B+C-D)**	**4,689.58**	**3,289.85**	**2,324.80**	**1,527.28**	**1,245.71**
	Represented by					
F.	Share capital	870.16	766.27	724.46	706.77	706.77
G.	**Reserves and surplus**					
	General reserve	220.72	212.97	142.22	82.22	82.22
	Share Premium account	91.08	91.97	-	-	-
	Accumulated profit	3,507.62	2,160.51	1,458.12	738.29	456.72
	Total	**3,819.42**	**2,465.45**	**1,600.34**	**820.51**	**538.94**
H.	Employees Stock Options Outstanding	-	58.13	-	-	-
I.	**Networth (F+G+H)**	**4,689.58**	**3,289.85**	**2,324.80**	**1,527.28**	**1,245.71**

Note:
The above consolidated summary statement is to be read with Notes to the restated financial statements and Significant accounting policies as appearing in Annexure IV and the summary of adjustments as given in Annexure IV-A.

ANNEXURE II - CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. in lakhs)

Particular	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
INCOME					
Sale of services					
Within India	317.89	594.52	241.49	200.60	469.94
Rest of the World	8,891.32	6,828.90	5,607.85	3,468.52	1,703.75
TOTAL	**9,209.21**	**7,423.42**	**5,849.34**	**3,669.12**	**2,173.69**
Other income	357.39	20.57	37.66	18.86	42.32
TOTAL INCOME (A)	**9,566.60**	**7,443.99**	**5,887.00**	**3,687.98**	**2,216.01**
EXPENDITURE					
Employees' remuneration and benefits	5,155.81	4,160.43	3,016.25	2,012.90	963.03
Operating Expenses	1,393.17	1,020.54	882.66	548.11	484.45
Administration expenses	1,048.61	833.37	670.00	574.13	446.14
Selling expenses	181.74	102.75	94.52	54.77	28.80
Financial charges	22.61	7.29	10.98	5.04	16.00
Exchange rate fluctuation loss (net)	-	105.34	-	12.22	23.20
Depreciation	158.51	132.77	176.92	80.11	65.35
TOTAL EXPENDITURE (B)	**7,960.45**	**6,362.49**	**4,851.33**	**3,287.28**	**2,026.97**
Profit before tax (A-B)	1,606.15	1,081.50	1,035.67	400.70	189.04
Provision for taxation					
- Current tax	277.87	172.34	75.41	26.84	32.40
- Deferred tax /(Benefit)	(28.20)	(26.98)	(4.53)	(3.66)	0.44
- Fringe benefit tax	31.72	22.90	18.67	15.36	-
- Minimum Alternate Tax Credit	(124.15)	(68.45)	-	-	-
- Total	157.24	99.81	89.55	38.54	32.84
Net Profit after tax Before Extraordinary Items	**1,448.91**	**981.69**	**946.12**	**362.16**	**156.20**
Extraordinary Items	**-**	**-**	**-**	**-**	**-**
Net Profit after tax After Extraordinary Items(C)	**1,448.91**	**981.69**	**946.12**	**362.16**	**156.20**
Profit/(loss) at the beginning of the period	2,160.51	1,458.12	738.29	456.72	348.87
Balance available for appropriation, as restated	**3,609.42**	**2,439.81**	**1,684.41**	**818.88**	**505.07**
Interim Dividend	-	(153.25)	(108.67)	-	-
Proposed Dividend	(87.02)	-	(36.22)	(70.68)	(42.41)
Tax on Dividend	(14.78)	(26.05)	(21.40)	(9.91)	(5.95)
Transfer to general reserve	-	(100.00)	(60.00)	-	-
Total	(101.80)	(279.30)	(226.29)	(80.59)	(48.35)
Balance carried forward, as restated	**3,507.62**	**2,160.51**	**1,458.12**	**738.29**	**456.72**

Notes:

1. The above consolidated statement is to be read with Notes financial statements and Significant accounting policies as appearing in Annexure IV and the summary of adjustments as given in Annexure IV - A.

2. The reconciliation between the audited and restated accumulated profit and loss balance as at April 1, 2004, is given in Annexure II-A

3. The Administrative expenses includes provision for Bad and Doubtful Debts amounting to Rs. 112.56 Lakhs for the Financial Year ended 31st March 2009

ANNEXURE II-A :

CONSOLIDATED RESTATED ACCUMULATED PROFIT / (LOSS) AS AT APRIL 1, 2004

Particulars	Amount in Foreign currency		(Rs. in lakhs)
	Currency	Amount	
Profit brought forward as at April 1, 2004(as per audited financials)			
Thinksoft Global Services Ltd			370.61
Thinksoft India Services Private Ltd			(6.37)
Think soft Global Services Pte Ltd, Singapore	Sing dollar	15,370	3.66
Think soft Global Services Inc,USA *	USD	(5,525)	(2.92)
Thinksoft Global Services (Europe) GmbH *(Amount in Rupees include foreign currency exchange difference on consolidation of Rupees (0.09))	Euro	-	-
			364.98
Tax relating to earlier years (See Note No.1 of Annexure IV A)			(21.66)
Deferred tax Adjustment relating to earlier years (See Note No.3 of Annexure IV A)			5.55
Profit brought forward as at April 1, 2004 (Restated)			348.87

ANNEXURE III - CONSOLIDATED RESTATED CASH FLOWS

(Rs. in lakhs)

Particulars	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Cash flows from operating activities					
Net profit/(loss) before taxation, as restated	1,606.15	1,081.50	1,035.67	400.70	189.04
Adjustments for					
Depreciation	158.51	132.77	176.92	80.11	65.35
Loss/(profit) on sale of fixed assets	(62.77)	-	(0.56)	0.78	(3.12)
Unrealised Forex exchange loss/(gain) (net)	(336.86)	101.15	5.17	1.77	7.33
Interest income	(29.15)	(20.18)	(7.46)	(17.29)	(34.95)
Interest expense	-	-	0.05	0.44	6.26
ESOP Provision	-	58.13	-	-	-
Leave Salary 2006-07	-	(41.24)	-	-	-
Contribution to Gratuity 2006-07	-	18.16	-	-	-
Provision for Doubtful Debts	112.56	-	-	-	-
Operating profit before working capital changes	**1,448.44**	**1,330.29**	**1,209.79**	**466.51**	**229.91**
(Increase)/Decrease in Sundry debtors	(243.74)	(236.12)	(899.51)	(382.77)	(355.12)
(Increase)/Decrease in loans and advances / other current assets	(269.73)	(455.28)	107.51	(182.62)	18.98
Increase/(Decrease) in ESOP Provision reversed	-	-	-	-	-
Increase/(Decrease) in current liabilities (Refer note c below)	236.89	401.17	218.09	277.64	73.89
Increase/(Decrease) in provisions	76.59	38.94	13.89	16.18	(1.87)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Cash generated from operations	**1,248.45**	**1,079.00**	**649.75**	**194.95**	**(34.19)**
Direct taxes paid (net of refunds)	(84.64)	(79.71)	(71.52)	(20.10)	(29.38)
Net cash from/(used in) operating activities	**1,163.81**	**999.29**	**578.23**	**174.85**	**(63.57)**

(Rs. in lakhs)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Cash flows from investing activities					
Purchase of fixed assets	(215.92)	(196.94)	(118.68)	(247.64)	(68.14)
Proceeds from sale of fixed assets	67.05	-	2.10	3.82	3.12
Fixed deposits placed with banks (net)	288.47	(345.28)	-	-	-
Fixed deposits matured during the year (net)	-	-	-	290.00	651.52
Interest received	26.62	19.31	7.53	18.72	35.54
Net cash from/(used in) in investing activities	**166.22**	**(522.91)**	**(109.04)**	**64.90**	**622.03**
Cash flows from financing activities					
Proceeds from issue of shares	52.62	133.78	17.70	-	-
Proceeds from short-term borrowings	-	-	-	-	-
Repayment of short-term borrowings	-	-	(1.11)	(5.26)	(431.37)
Interest paid	-	-	(0.05)	(0.44)	(6.26)
Dividends paid	-	(189.48)	(179.35)	(42.41)	(42.41)

Tax on dividend paid	-	(32.20)	(25.15)	(5.95)	(5.54)
Net cash (used in)/from financing activities	**52.62**	**(87.90)**	**(187.97)**	**(54.06)**	**(485.58)**
Net increase in cash and cash equivalents	**1,382.65**	**388.48**	**281.22**	**185.68**	**72.88**
Cash and cash equivalents at the beginning of the year	1,048.95	660.47	379.25	193.57	120.69
Cash and cash equivalents at the end of the year	**2,431.60**	**1,048.95**	**660.47**	**379.25**	**193.57**

Note: The reconciliation to the Cash and Bank balances as given in Annexure I vis-à-vis Annexure III above is as follows:

Particulars	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Cash and bank balances, per Annexure - I	**2,655.97**	**1,472.47**	**765.64**	**473.58**	**583.99**
Less : Effect of changes in exchange rate on cash and cash equivalents	(63.05)	26.27	(0.67)	10.18	4.08
Less : Fixed deposits placed with banks	(161.32)	(449.79)	(104.50)	(104.50)	(394.50)
Cash and cash equivalents, end of year	**2,431.60**	**1,048.95**	**660.47**	**379.25**	**193.57**
b) Components of cash and cash equivalents					
Cash on hand	0.92	1.07	1.04	0.75	1.25
Balances with scheduled banks					
in current accounts	95.34	142.68	136.86	39.74	50.84
in current accounts in foreign currency	2,158.81	223.00	260.61	92.02	35.34
Balances with non-scheduled banks in					

current accounts :-					
ICICI Bank, London	79.60	189.59	23.24	17.67	-
HSBC Bank, London	-	-	-	-	19.41
OCBC Bank, Singapore	87.11	425.81	150.90	71.55	51.44
HSBC Bank, USA	-	17.20	62.72	121.03	31.21
Dresdner Bank AG, Germany	-	23.33	25.77	26.32	-
Balance with non-scheduled bank in deposit accounts:-					
ICICI Bank, London	72.86	-	-	-	-
Less : Effect of changes in exchange rate on cash and cash equivalents	(63.04)	26.27	(0.67)	10.18	4.08
	2,431.60	**1,048.95**	**660.47**	**379.25**	**193.57**
c) Adjustments for increase/decrease in current liabilities related to acquisition of Fixed Assets have been made to the extent identified.					

Annexure IV : Notes to Accounts and Significant Accounting policies

1 Background

Thinksoft Global Services Limited ("Thinksoft" or "the Company") was incorporated as a private limited company on June 8, 1998 under the Companies Act, 1956. The Company has been converted into a public limited company with effect from 19th August 2008. The necessary new certificate of incorporation has been issued by the Registrar of Companies, Chennai.

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

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

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

The Board of Directors of the Company, at their meeting held on August 2, 2007, have accorded their in principle approval for the Company to go for an Initial Public Offering ('IPO') and the same has been approved by the members in the extra ordinary General Meeting held on 17th September 2008. The company has filed Draft Red Herring Prospectus (DRHP) with Securities Exchange Board of India (SEBI) on 16th March 2009 and with National Stock Exchange and Bombay Stock Exchange on 17th March 2009.

2.0 Significant Accounting Policies:

a) **Basis of preparation of financial statements**

The consolidated financial statements of the group have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis as a going concern. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years but for the implementation of AS 15 revised 2005 which has been applied from 2007-08,

Principles of Consolidation

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

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

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

b) **Use of estimates**

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

c) **Fixed assets and depreciation**

<u>Fixed assets</u>

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

<u>Depreciation</u>

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

Asset description	Percentage
Buildings	5.00%
Plant, machinery and equipment	25.00% – 33.33 %
Computer equipment	33.33%
Intangible assets – Computer software	33.33%

Furniture and fittings	33.33%
Office equipment	33.33%
Vehicles	25.00%
Temporary partitions	100.00%
Leasehold Rights & Improvements	Tenure of lease period or 10 yrs whichever is less

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

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

d) **Impairment**

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

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

e) **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, any decline, other than temporary, in the value of the investments is charged to the profit and loss account.

f) **Revenue recognition**

Software services income

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

Interest income

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

g) **Retirement and other employee benefits**

i. Retirement benefits in the form of Provident Fund / Social Security payments are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to concerned authorities. The Company has no further obligations under the plan beyond its periodic contributions.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year under the Projected unit credit method. Actuarial Gains/ Losses comprise experience adjustments and the effect of changes in actuarial assumption and recognised immediately in Profit and Loss account as income / expense.

iii. Appropriate provision has been made for the accrued and unavailed leave entitlements which are short-term in nature.

h) **Taxation**

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

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

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

i) **Earnings per share**

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

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

j) **Foreign currency transactions and translations**

(i) ***Initial Recognition***

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

(ii) ***Conversion***

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

(iii) Exchange Differences

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

iv) Forward Contracts in foreign currency:

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

k) Provisions

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

l) **Leases**

Where the Company is the lessee

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

m) **Employee Stock Compensation Cost**

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

n) **Segment Information**

Business Segments :

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

Geographical Segments :

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

o) **Cash Flow**

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

Cash and Cash equivalents

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

2.1 OTHER NOTES

Notes given below are extracted from Audited Financial Statements of the Company and its subsidiaries for the years ended 31st March, 2005, 2006, 2007, 2008 and 2009, and are disclosed to the extent they are available in the financial statements of the respective years.

2.2 **Increase in Authorised Share Capital**

During the year ended 31st March 2008, the company has enhanced its authorized share capital from Rs. 800 lakhs to Rs.1,200 lakhs pursuant to the shareholder's approval at the Extra Ordinary Meeting Resolution dated 7th Jan 2008.

2.3 **Shifting of Registered Office**

The registered office of the company has been shifted from the State of Karnataka to Chennai, in the State of Tamilnadu pursuant to the shareholders' approval obtained at the extraordinary meeting dated 21-Sep-2007. The Registrar of Companies, Chennai has confirmed the shifting of Registered Office from Bangalore to Chennai vide new Corporate Identity Number U64202TN1998PTC066604 dated 26-Feb-2008

2.4 **Secured loans**

The Company has a cash credit facility with Lakshmi Vilas Bank, Chennai, which is secured by hypothecation of fixed assets, book debts of the Company both present and future and also by personal guarantee of two Directors of the Company. The company has not utilised this facility either in the current period or in the previous year. The Company has no outstanding borrowings as on 31st March, 2009.

2.5 **Employees' Stock Option Plan (ESOP)**

The Company has ESOP 2001 Plan, ESOP 2002 Plan and ESOP 2007 plan in operation. ESOP 2001 plan , ESOP 2002 plan , were issued in pursuance of the approval of the shareholders in the General Meeting held on January 25,2007. A compensation committee comprising of members of the Board of Directors and Senior Management Personnel administers all the ESOP Plans. ESOP 2003 plan does not have any balance as at 31st March 2009 and all the options granted under the plan had already lapsed.

<u>ESOP Plan 2001 and ESOP Plan 2002</u>

Options granted under the 2001 and 2002 plans entitle the holder thereof to apply for one equity share of the Company at an exercise price of Rs 10/- per share. The equity shares covered under these options vest in a graded manner, and are exercisable, over a period ranging from twelve to sixty months from the date of vesting.

The movement in the options granted under ESOP Plan 2001 and ESOP Plan 2002 is given below.

<u>ESOP – Plan 2001</u>

(in Nos)

Particulars	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Options outstanding at the beginning of the year	3,220	9,900	12,400	19,680	25,680
Options granted during the year	-	-	-	-	-
Options exercised during the year	3,220	-	-	-	-
Options lapsed during the year	-	6,680	2,500	7,280	6,000
Options outstanding at the end of the year	-	3,220	9,900	12,400	19,680

ESOP – Plan 2002 (in Nos)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
Options outstanding at the beginning of the year	3,000	3,000	156,600	116,600	80,200
Options granted during the year	-	-	-	40,000	40,000
Options exercised during the year	3,000	-	-	-	-
Options lapsed during the year	-	-	153,600	-	3,600
Options outstanding at the end of the year	-	3,000	3,000	156,600	116,600

ESOP – Plan 2003

	2008-09	2007-08	2006-07	2005-06	2004-05
Options outstanding at the beginning of the year	-	-	-	50,000	25,000
Options granted during the year	-	-	-	-	25,000
Options exercised during the year	-	-	-	-	-
Options lapsed during the year	-	-	-	50,000	-
Options outstanding at the end of the year	-	-	-	-	50,000

ESOP Plan 2007

Options granted under the 2007 plan entitle the holder thereof to apply for one equity share of the Company at an exercise price of Rs 32/- per share. All the options issued under this plan have vested in November 2007. The Exercise Period shall be 3 years from the Date of Vesting of Options or the date the Company communicates its decision to go for an Initial Public Offer, whichever is earlier.

The movement in the options granted under ESOP Plan 2007 plan is given below.

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Options outstanding at the beginning of the year	187,500	-	-	-	-
Options granted during the year	-	187,500	-	-	-
Options exercised during the year	162,500	-	-	-	-
Options lapsed during the year	25,000	-	-	-	-
Options outstanding at the end of the year	-	187,500	-	-	-

The amount of compensation cost charged off to Profit and Loss account on account of ESOP Plan during the year is Rs. NIL (P.Y.2007-08 was Rs. 58,12,500/-).

Consequent to exercise of 162,500 options in the current year Rs.50,37,500/- has been transferred to Securities Premium Account. The balance of Rs. 775,000/- has been transferred to General Reserve in 2008-09.

There are no pending option under any of the ESOP schemes as at 31st March 2009.

2.6 **Commitments and contingencies :**

(Rs. in lakhs)

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	14.09	110.02	0.49	22.98	-
Service tax related matters	36.09	36.09	36.09	-	-
Income tax related matters	-	21.82	-	-	-
Counter Guarantees issued to the Bank for the Bank Guarantees obtained	153.00	-	-	-	-

The Company has received a show cause notice dated July 18, 2007 requiring the Company to show cause as to why service tax (including cess) of Rs 3,609,338 along with interest and penalty should not be demanded from the Company relating to an earlier period. Management contends that the Company has sufficient grounds to defend its position and is in the process of filing necessary explanations / responses to support its position. Consequently, no provision has been made for the same in these financial statements.

2.7 **Exposure in foreign currency**

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank.

(a) Forward contracts pending as at the Balance Sheet date are as below:

Particulars	**31-Mar-09**	**31-Mar-08**
Number of Contracts (Sell)	NIL	NIL
Value in Foreign currency	NIL	NIL
Value in INR	NIL	NIL

The company has not entered into any other derivate instruments during the year.

(b) The details of foreign currency balances which are not hedged as at 31st March 2009, 31st March 2008 and 31st March 2007 are as below:

Particulars		**31-Mar-09**		**31-Mar-08**		**31-Mar-07**	
	FCY	**Amount in FCY**	**Amount in lakhs**	**Amount in FCY**	**Amount in lakhs**	**Amount in FCY**	**Amount in lakhs**
Sundry Debtors	GBP	863,876	629.42	540,992	430.25	1,118,562	968.24
Sundry Debtors	SGD	95,644	32.83	498,775	144.35	1,215,214	349.89

Sundry Debtors	USD	2,144,290	1,092.52	2,913,428	1,164.50	787,526	343.35
Sundry Debtors	AUD	257,084	91.68	88,653	32.50	-	-
Sundry Debtors	CHF	39,793	18.08	38,084	15.29	-	-
Sundry Debtors	Euro	240,543	162.32	147,265	92.91	-	-
Sundry Debtors	AED	2,192,215	311.51	-	-	-	-
Loans and advances	USD	42,245	21.52	325,129	129.95	8,046	3.54
Loans and advances	SGD	4,656	1.60	26,941	7.80	52,552	15.08
Loans and advances	GBP	75,463	54.98	37,121	29.52	-	-
Loans and advances	AUD	3,250	1.16	10	-	-	-
Loans and advances	HKD	-	-	46,000	2.56	-	-
Loans and advances	Euro	8,985	6.06	1,891	1.19	2,320	1.25
Sundry Creditors	AUD	5,762	2.05	1,320	0.48	-	-
Sundry Creditors	GBP	5,779	4.21	8,820	7.01	-	-
Sundry Creditors	SGD	-	-	350	0.10	-	-
Sundry Creditors	USD	-	-	275	0.11	-	-
Sundry Creditors	Euro	9,955	6.71	-	-	-	-

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

(Rs. in lakhs)

	Particulars	**2008-09**	**2007-08**	**2006-07**
2.8	Lease payments recognized in the profit and loss account for the year	349.31	286.55	242.18
	Minimum Lease Payments			
	Not later than one year	253.60	76.22	227.90
	Later than 1 year but not later than 5 years	511.52	876.27	217.52
	Later than 5 years	29.06	-	-
	Total	**794.18**	**952.49**	**445.42**

2.9 **Segment reporting**

Segmental information

	Sales Revenue by Geographical Market (Rs. in lakhs)		
	2008-09	**2007-08**	**2006-07**
Within India	317.89	594.52	241.49
Outside India	8,891.32	6,828.90	5,607.85
Total	9,209.21	7,423.42	5,849.34

2.10 **Disclosure pursuant to Accounting Standard – 15 (Revised)**

The Company has adopted Accounting Standard 15(Revised 2005) on Employee Benefits effective 1st April 2007. Pursuant to this the company has reassessed the liabilities on various employee benefits as on date and the additional liability arising thereon has been charged to the Profit & Loss Account

(i) **Short Term Plan – Leave Salary**

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

(Rs. in lakhs)

	2008-09	2007-08
Liability at the beginning of the period/ year	62.11	-
Leave salary relating to opening period adjusted to general reserves directly	-	41.24
Leave salary cost accounted for the period/ year	13.12	20.87
Total liability as at period/year end	75.23	62.11

(ii) **Defined Benefit Plans - Gratuity**

(Rs. in lakhs)

(I)	**Change in Benefit Obligation**	**2008-09**	**2007-08**
	Liability at the beginning of the period/year	83.97	28.91
	Interest Cost	6.35	2.22
	Current Service Cost	44.93	38.31
	Past Service Cost (Vested Benefit)	-	-
	Past Service Cost (Non Vested Benefit)	-	-
	Benefit Paid	(9.24)	(2.44)
	Actuarial (gain)/loss on obligations	35.86	16.97
	Liability at the end of the period/year	161.87	83.97
(II)	**Fair Value of Plan Assets**	**2008-09**	**2007-08**
	Fair Value of plan assets at the beginning of the period/year	16.35	17.40
	Expected Return on Plan Assets	0.94	1.29
	Contributions	-	-
	Benefit Paid	(9.24)	(2.44)
	Actuarial gain/(loss) on Plan Assets	8.23	0.10

	Fair Value of plan assets at the end of the period/year	16.28	16.35
(III)	**Actual Return on Plan Assets**		
	Expected Return on Plan Assets	0.94	1.29
	Actuarial gain/(loss) on Plan Assets	8.23	0.10
	Actual Return on Plan Assets	9.17	1.39
(IV)	**Amount Recognised in the balance Sheet**		
	Present value of the obligation	161.87	83.97
	Fair Value of Plan Assets	(16.28)	(16.35)
	Difference (Funded Status)	145.59	67.62
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	1.39
	Amount Recognised in the Balance Sheet	145.59	69.00
(V)	**Expenses Recognised in the Income Statement**		
	Current Service Cost	44.93	38.31
	Interest Cost	6.35	2.22
	Expected Return on Plan Assets	(0.94)	(1.29)
	Net Actuarial (Gain)/loss to be recognised	27.63	16.88
	Transitional Liability recognized in the year	-	-
	Past service cost – non vested benefits	-	-
	Past Service Cost – vested benefits	-	-
	Expense Recognised in P&L	77.97	56.11
(VI)	**Balance Sheet Reconciliation**	**2008-09**	**2007-08**
	Opening Net Liability as per books	67.62	29.68
	Transitional liability adjusted to opening reserves and deferred taxes	-	(18.16)
	Expense as above	77.97	56.11
	Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	1.39
	Contribution Paid	-	-
	Amount Recognised in Balance Sheet	145.59	69.00

(VII)	**Actuarial Assumptions : For the period/year**		
	Discount Rate Current	8.00%	8.00%
	Expected Rate of Return on Plan Assets	8.00%	8.00%
	Salary Escalation Current	10.00%	7.00%
	Attrition rate	10.00%	30.00%
(VIII)	**Investment details – as at period end**		
	Funds Managed by Insurer	100.00%	100.00%

2.11 Deferred Tax

The break up of net deferred tax asset is as under:

Deferred tax assets arising on timing differences on account of :

(Rs. in lakhs)

	March 31, 2009	**March 31, 2008**
Deferred Tax at the beginning of the year	34.07	-
Deferred Tax on opening reserve adjustment on gratuity liability (AS 15 revised)	-	6.17
Deferred Tax credit to the CY P&L	28.20	40.24
Net Deferred Tax Asset as at year end, made up of:	62.27	34.07
- Depreciation on Fixed Assets	12.78	10.62
- Provision for Gratuity	49.49	23.45

2.12 Earnings Per Share

	2008-09	**2007-08**	**2006-07**	**2005-06**	**2004-05**
Net Profit after tax	144,891,758	98,168,964	94,612,110	36,215,171	15,620,461
Weighted average number of equity shares @ Rs 10/- each outstanding	8,223,255	7,364,256	7,146,710	7,067,683	7,067,683
Basic earnings per share (in Rs)	17.62	13.33	13.24	5.12	2.21
Potential equity shares	-	81,220	12,900	-	-
Weighted average number of shares used as denominator for Diluted earnings per share	8,223,255	7,445,476	7,159,610	7,067,683	7,067,683
Diluted earnings per share (in Rs)	17.62	13.19	13.21	5.12	2.21

2.13 Prior period comparatives

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

2.14 The auditors have drawn reference to delay in payment of a sum of Rs. 81,34,634 relating to provident fund contribution (both employer and employee share) for international workers made applicable from November 08. This has since been remitted in June '09.

During the year there was an amendment to the Provident Fund Act incorporating special provisions for International Workers. Even though the effective date was from 1st November 2008, the detailed guidelines were issued much later, providing clarity to the issue. It took time to understand the applicability of the provisions to us and after due consultations the company has since covered the applicable employees and remitted a sum of Rs.81,34,634/-.

2.15 All significant notes to the accounts, significant policies, and auditors qualification have been included in the Annexure IV.

2.16 There are no other material notes to the auditors report which has financial bearing on the company.

Annexure – IV A - Notes on Adjustments made in Consolidated Restated Summary Statements

(Rs. in lakhs)

		2009	2008	2007	2006	2005	Accumulated profit as at 1st April 2004
	Summary of adjustment on account of change in accounting policies, prior period items and material items						
1	Earlier years tax adjustment						
	Earlier year adjustments relating to income tax as disclosed in the Profit & Loss Account have been restated and charged to the respective years to which they are related						
	Short provision for FY 2000-2001 adjusted in FY 2004-05	-	-	-	-	(14.26)	14.26
	Excess Provision for FY 2001-02 adjusted in FY 2003-04	-	-	-	-	-	
	Excess Provision for FY 2002-03 adjusted in FY 2003-04	-	-	-	-	-	
	Short Provision for FY 2002-03 adjusted in FY 2006-07	-	-	(0.81)	-	-	0.81
	Short provision for FY 2003-2004 adjusted in FY 2004-05	-	-	-	-	(6.59)	6.59
	Excess Provision for FY 2004-05 adjusted in FY 2005-06	-	-	-	0.69	(0.69)	-
	Excess Provision for FY 2004-05 adjusted in FY 2005-06	-	-	-	7.65	(7.65)	-
	Short provision for FY 2005-06 adjusted in FY	-	(0.10)	-	0.10	-	-

	2007-08						
	Short provision for FY 2005-06 adjusted in FY 2006-07	-	-	(1.00)	1.00	-	-
	Excess Provision for FY 2006-07 adjusted in FY 2007-08	-	1.64	(1.64)	-	-	-
	Total	-	**1.54**	**(3.45)**	**9.44**	**(29.19)**	**21.66**

		2009	**2008**	**2007**	**2006**	**2005**	**Accumulated profit as at 1st April 2004**
2	Change in rate of depreciation for Computers						
	Rate of depreciation was reduced from 50% to 33.33% from FY 2003-04. This has now been restated by reworking the depreciation retrospectively.	-	-	-	-	-	
3.	Deferred tax adjustment						
	Deferred tax asset was recognised in Thinksoft Global Services Limited only from the Financial year ended 31st March 2008. This has now been restated by reworking the same retrospectively.	-	13.26	(6.00)	(3.57)	1.86	(5.55)
	Total (2&3)	**-**	**13.26**	**(6.00)**	**(3.57)**	**1.86**	**(5.55)**
	Grand total (1+2+3)	**-**	**14.80**	**(9.45)**	**5.87**	**(27.33)**	**16.11**

Rs. in lakhs

Particulars	**Year ended 31-Mar-09**	**Year ended 31-Mar-08**	**Year ended 31-Mar-07**	**Year ended 31-Mar-06**	**Year ended 31-Mar-05**
C. Reconciliation between audited and restated Reserves & Surplus					
Reserves & Surplus					
As per audited consolidated financials	3,819.42	2,465.45	1,585.54	-	-
As per consolidation from audited book of accounts	-	-	-	815.16	527.72
Add/(Less):					
Adjustments made to Accumulated Profit as per (A) above					
Prior to 2003-04	3.23	3.23	3.23	3.23	3.23
for the year 2003-04	(19.34)	(19.34)	(19.34)	(19.34)	(19.34)
for the year 2004-05	27.33	27.33	27.33	27.33	27.33

for the year 2005-06	(5.87)	(5.87)	(5.87)	(5.87)	-
for the year 2006-07	9.45	9.45	9.45	-	-
for the year 2007-08	(14.80)	(14.80)	-	-	-
As per Restated Financials	**3,819.42**	**2,465.45**	**1,600.34**	**820.51**	**538.94**

Retirement Benefits:- Accounting Standard 15 (Revised 2005) on 'Employee Benefits' was applicable from April 1, 2007. Accordingly the liability for employee benefits has been calculated and recognized as per the revised Accounting Standard - 15 for the year ended March 31, 2008. The additional provision for the earlier years has been adjusted against the general reserve as on 1st April 2007.

ANNEXURE V- DETAILS OF CONSOLIDATED RESTATED SUNDRY DEBTORS:

(Rs. in lakhs)

Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Sundry debtors (Unsecured, considered good)					
Outstanding for a period exceeding six months	91.72	6.65	61.44	5.34	10.72
Others	2,293.97	2,030.35	1,802.85	979.63	587.31
Sundry debtors (Unsecured, considered Doubtful)					
Outstanding for a period exceeding six months	5.61				
Others	106.95				
Less; P**rovision for doubtful debts**	(112.56)	-	-	-	-
Total	**2,385.69**	**2,037.00**	**1,864.29**	**984.97**	**598.03**

Note: None of the beneficiaries of Sundry Debtors are related to the Promoters/Directors of the Company.

ANNEXURE VI DETAILS OF CONSOLIDATED RESTATED LOANS AND ADVANCES

(Rs. in lakhs)

Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Loans and advances					
Advances recoverable in cash or in kind or for value to be received	391.47	241.93	41.90	79.45	12.92
Prepaid expenses	37.08	37.85	36.34	19.12	54.85
Minimum Alternate Tax credit entitlement	192.60	68.45	-	-	-
Advance Income Taxes and taxes deducted at source (net of provisions)	6.11	5.42	13.10	10.47	20.10
Deposits	246.97	306.13	184.87	215.65	120.12
Service Tax Input credit with Excise and customs	47.12	5.10	2.92	-	-
Other Advances	19.99	-	-	-	-
Total	**941.34**	**664.88**	**279.13**	**324.69**	**207.99**

Note : None of the beneficiaries of Loans and advances are related to the Promoters/Directors of the Company except to the extent disclosed in Annexure – XV (Details of Consolidated transactions with related parties).

ANNEXURE – VII DETAILS OF CONSOLIDATED RESTATED OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Unbilled revenue	16.01	23.67	-	56.47	-
Others	4.36	1.83	0.96	1.04	2.47
Total	**20.37**	**25.50**	**0.96**	**57.51**	**2.47**

ANNEXURE VIII: DETAILS OF CONSOLIDATED RESTATED CURRENT LIABILITIES AND PROVISIONS

(Rs. in lakhs)

Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Current liabilities					
Sundry creditors	124.95	51.11	(26.48)	90.79	26.28
Unearned Revenue	-	-	9.85	17.09	-
Advances received from customers	8.88	6.76	25.00	-	-
Other liabilities	-	-	-	-	-
Provision for expenses	1,090.16	958.65	547.78	316.79	145.66
Withholding and other taxes payable	107.90	78.10	64.35	54.60	28.35
Others	10.40	13.54	83.53	4.22	5.54
Provisions					
Provision for taxation (net of advance tax payments)	121.25	48.65	42.70	13.84	5.69
Provision for fringe benefit tax (net of advance tax payments)	-	-	0.65	4.33	-
Provision for gratuity	145.59	69.00	30.07	16.18	-
Provision for dividend	87.02	-	36.22	70.68	42.41
Provision for corporate tax on dividend	14.79	-	6.16	9.91	5.95
Total	**1,710.94**	**1225.81**	**819.83**	**598.43**	**259.88**

ANNEXURE IX DETAILS OF RESTATED UNCONSOLIDATED SECURED AND UNSECURED LOANS

(Rs. in lakhs)

Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Secured Loans	**-**	**-**	**-**	1.11	6.37
Unsecured Loans	-	-	-	-	-
Total	**-**	**-**	**-**	**1.11**	**6.37**

There are no Secured and Unsecured loans outstanding as on 31st March, 2009.

Details of Secured Loans

Name of the Bank/Institution	Description	Amount of Loan Sanctioned	Amount outstanding as on 31st March, 2009	Date of sanctioned	Rate of Interest	Repayment Terms	Security Offered
Lakshmi Vilas Bank , Chennai	Cash Credit	Rs. 250 lakhs	NIL	30.10.2007	13.00 %	On demand	1. First pari passu charge by way of Hypothecation of entire Current assets of the company, including book debts. 2. The facility limit is secured by first charge by way of hypothecation of the company movable fixed assets, consisting computer equipments, office equipments etc. 3. Personal security of Promoter Directors.

There are no re-schedulement, repayment, penalty or default on the above loan.

ANNEXURE X - DETAILS OF CONSOLIDATED RESTATED OTHER INCOME
(Rs. in lakhs)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Other income, as per Consolidated Summary Statement of Profits and Losses, as restated (A)	357.39	20.57	37.66	18.86	42.32
Net Profit before tax, as per Consolidated Summary Statement of Profits and Losses, as restated (B)	1,606.15	1,081.50	1,035.67	400.70	189.04
Percentage (A/B)	**22.25%**	**1.90%**	**3.64%**	**4.71%**	**22.39%**

(Rs. in lakhs)

Sources and Particulars of Other Income	**Nature**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Interest received on deposits with banks	Recurring	23.72	13.39	7.46	17.29	34.26
Interest received from others	Non-recurring	5.43	6.78	-	-	0.68
Profit on sale of fixed assets	Non-recurring	62.77	-	0.56	-	3.12
Exchange gain	Non-recurring	265.37	-	29.64	-	-
Miscellaneous income	Non-recurring	0.10	0.40	-	1.57	4.26
Other income as per unconsolidated restated profit and loss account (C)		**357.39**	**20.57**	**37.66**	**18.86**	**42.32**

ANNEXURE XI – CONSOLIDATED MAJOR ACCOUNTING RATIOS:

Particular	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Basic Earnings per Share (Rs.)	17.62	13.33	13.24	5.12	2.21
Diluted Earnings per Share (Rs.)	17.62	13.19	13.21	5.12	2.21
Return on Net Worth %	30.90%	29.84%	40.70%	23.71%	12.54%
Net Asset Value per Equity Share (Rs.)	53.89	42.93	32.09	21.61	17.63
Total Debt /Equity Ratio	-	-	-	-	0.01
Weighted average number of equity shares outstanding during the year	8,223,255	7,364,256	7,146,710	7,067,683	7,067,683
Weighted average number of equity shares used as denominator for diluted earning per share.	8,223,255	7,445,476	7,159,610	7,067,683	7,067,683
Total number of equity shares at the end of the year	8,701,581	7,662,703	7,244,645	7,067,683	7,067,683

Notes:

The ratios have been computed as below :

Earnings per share (Rs.) = $\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

Return on Net Worth (%) = $\frac{\text{Net profit after tax, as restated}}{\text{Net worth as at the end of the year}}$

Net Assets Value per Equity Share (Rs.) = $\frac{\text{Net worth as at the end of the year}}{\text{Number of equity shares at the end of the year}}$

Total Debt/ Equity Ratio = $\frac{\text{Long term debt + Short term debt}}{\text{Equity Share Capital + Reserves \& Surplus}}$

Net worth means Equity Share Capital + Reserves and Surplus

The figures disclosed above are based on the consolidated restated financial statements of the Company

ANNEXURE XII - CAPITALISATION STATEMENT:

(Rs. in lakhs)

Particular	**Year ended March 31, 2009**	**Post Issue***
Short-term debt (A)	-	
Long-term debt (B)	-	
Total debt (C = A+B)	**-**	
Shareholders' funds		
Equity share capital	870.16	
Reserves and surplus, as restated	3,819.42	
Total shareholders' funds (D)	**4,689.58**	
Long-term debt/Shareholders' funds (B/D)	-	
Total debt/Shareholders' funds (C/D)	**-**	

* Share Capital and Reserves, post issue can be ascertained only on the conclusion of the book building process

Notes:

1. Reserves and surplus include General Reserve, Share premium and accumulated balance of Consolidated Profit and Loss Account as at 31st March 2009 as restated

ANNEXURE XIII STATEMENT OF DIVIDENDS PAID/PROPOSED

(Rs. in lakhs)

Particular	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Equity share capital	870.16	766.27	724.46	706.77	706.77
Interim Dividend in %	-	20.00%	15.00%	-	-
Amount of interim dividend	-	153.25	108.67	-	-
Dividend tax on interim dividend	-	26.05	15.24	-	-
Final Dividend in %	10.00%	-	5.00%	10.00%	6.00%
Amount of final dividend	87.02	-	36.22	70.68	42.41
Dividend tax on final dividend	14.79	-	6.16	9.91	5.95

Notes:
1. The amounts paid as dividend in the past is not indicative of the dividend policy in the future.
2. The figures disclosed above are based on the unconsolidated summary statement of profits and losses, as restated.

ANNEXURE XIV- List of Consolidated related parties and nature of relationships:

Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Nature of relationship	**Name of Party**	**Name of Party**	**Name of Party**	**Name of Party**	**Name of Party**
Key Managerial Personnel	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar	Mr. A V Asvini Kumar
Key Managerial Personnel	Ms Vanaja Arvind	Ms Vanaja Arvind	Ms Vanaja Arvind	Ms Vanaja Arvind	Ms Vanaja Arvind
Relatives of the Key Managerial Personnel	Ms. A K Latha	Ms. A K Latha	Ms. A K Latha	Ms. A K Latha	Ms. A K Latha
Relatives of the Key Managerial Personnel	Ms. Lalitha Devi	Ms. Lalitha Devi	Ms. Lalitha Devi	Ms. Lalitha Devi	Ms. Lalitha Devi
Relatives of the Key Managerial Personnel	Mr. A K Krishna	Mr. A K Krishna	Mr. A K Krishna	Mr. A K Krishna	Mr. A K Krishna
Relatives of the Key Managerial Personnel	Ms. Aarti Arvind	Ms. Aarti Arvind	Ms. Aarti Arvind	Ms. Aarti Arvind	Ms. Aarti Arvind
Relatives of the Key Managerial Personnel	Mr. Chalapathi Rao Peddineni	Mr. Chalapathi Rao Peddineni	--	--	--
Investor having significant influence	Euro Indo Investments	Euro Indo Investments	Euro Indo Investments	Euro Indo Investments	Euro Indo Investments
Company in which Directors have significant influence	Virtus Advisory services Private Ltd	Virtus Advisory services Private Ltd	--	--	--

ANNEXURE XV - Details of Consolidated transactions with related parties:

(Rs. in lakhs)

Particulars	Nature of Relationship	Name of the Related party	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Managerial remuneration	Key Managerial Personnel	Mr A V Asvini Kumar	89.50	80.00	78.00	61.43	38.24
	Key Managerial Personnel	Ms Vanaja Arvind	89.50	96.00	93.00	61.42	48.00
Rent	Key Managerial Personnel	Mr A V Asvini Kumar	2.23	1.80	1.62	1.20	1.20
	Relative of Key Managerial Personnel	Ms. A K Latha	1.80	0.96	0.96	-	-
	Relative of Key Managerial Personnel	Mr. A K Krishna	1.80	0.96	0.96	-	-
Salary	Relative of Key Managerial Personnel	Ms. Aarti Arvind	10.60	22.10	16.50	-	-
Professional Charges	Relative of Key Managerial Personnel	Mr. Chalapathi Rao Pedineni	9.03	3.69	-	-	-
		Ms. Aarti Arvind	-	-	-	-	-
Interest Income	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	5.57	-	-	-
Interim Dividend Paid	Key Managerial Personnel	Mr A V Asvini Kumar	-	64.66	48.49	-	-
	Key Managerial Personnel	Ms Vanaja Arvind	-	17.70	13.27	-	-
	Relative of Key Managerial Personnel	Ms. A K Latha	-	4.39	3.29	-	-
	Relative of Key Managerial Personnel	Ms. Lalitha Devi	-	0.21	0.15	-	-
	Relative of Key Managerial Personnel	Mr. A K Krishna	-	4.10	3.08	-	-

Particulars	Nature of Relationship	Name of the Related party	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
	Investor having significant influence	Euro Indo Investments	-	44.69	33.52	-	-
	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	8.36	-	-	-
Proposed Final Dividend	Key Managerial Personnel	Mr A V Asvini Kumar	36.43	-	16.16	32.33	19.40
	Key Managerial Personnel	Ms Vanaja Arvind	10.51	-	4.42	7.08	4.24
	Relative of Key Managerial Personnel	Ms. A K Latha	2.44	-	1.10	2.19	1.32
	Relative of Key Managerial Personnel	Ms. Lalitha Devi	0.11	-	0.05	0.10	0.06
	Relative of Key Managerial Personnel	Mr. A K Krishna	2.28	-	1.03	2.05	1.23
	Investor having significant influence	Euro Indo Investments	24.83	-	11.17	22.35	13.41
	Relative of Key Managerial Personnel	Ms. Aarti Arvind	0.33	-	-	-	-
	Relative of Key Managerial Personnel	Mr. Chalapathi Rao Peddineni	0.11	-	-	-	-
Other transactions:							
Advances made by the Company	Key Managerial Personnel	Mr A V Asvini Kumar	-	-	-	0.21	0.39
Refund of advances to the Company	Key Managerial Personnel	Mr A V Asvini Kumar	-	-	-	0.26	0.39
Loans made by the	Companies in which	M/s Virtus Advisory	-	134.00	-	-	-

Particulars	Nature of Relationship	Name of the Related party	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Company	Directors have significant influence	Services Private Limited					
Refund of loans to the Company	Companies in which Directors have significant influence	M/s Virtus Advisory Services Private Limited	-	134.00	-	-	-
Outstanding balances:							
Sundry creditors	Key Managerial Personnel	Mr A V Asvini Kumar	1.82	1.70	2.34	3.16	2.75
	Key Managerial Personnel	Ms Vanaja Arvind	-	-	-	-	-
Provision for expenses	Key Managerial Personnel	Mr A V Asvini Kumar	29.50	62.00	60.00	43.43	20.10
	Key Managerial Personnel	Ms Vanaja Arvind	29.50	60.00	57.00	25.42	12.00
Balances under Dividend payable	Key Managerial Personnel	Mr A V Asvini Kumar	36.43	-	16.16	32.33	19.40
	Key Managerial Personnel	Ms Vanaja Arvind	10.51	-	4.42	7.08	4.24
	Investor having significant influence	Euro Indo Investments	24.83	-	11.17	22.34	13.41
	Relative of Key Managerial Personnel	Ms. A K Latha	2.44	-	1.10	2.19	1.32
	Relative of Key Managerial Personnel	Ms. Lalitha Devi	0.11	-	0.05	0.10	0.06
	Relative of Key Managerial Personnel	Mr. A K Krishna	2.28	-	1.03	2.05	1.23
	Relative of Key Managerial Personnel	Ms. Aarti Arvind	0.33	-	-	-	-

Particulars	Nature of Relationship	Name of the Related party	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
	Relative of Key Managerial Personnel	Mr. Chalapathi Rao Peddineni	0.11	-	-	-	-

***ANNEXURE XVI* - Changes in Significant accounting policies.**

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years but for the implementation of AS 15 revised 2005 which has been applied from 2007-08.

GROUP ENTITIES

M/s. Virtus Advisory Services Pvt. Limited (VASPL)

VASPL was incorporated on August 30, 2006 as a Private Limited Company with the main objective of carrying and undertake the business of advising, arranging and organising, Capital funding, Merger & Acquisitions.

Board of Directors as on July 31, 2009

Mr. Asvini Kumar A V
Mr. Mohan Parvatikar

Business activity

VASPL has been formed with the main objects to carry on and undertake the business of advising, arranging and organising venture capital funding, mergers and acquisitions, promoter capital, seed capital, loans, advances and any form of financial intermediation for corporate and non corporate bodies, individuals or a group and to provide financial counselling and services in connection with evaluation and / or identification of projects, products, technologies, markets, collaborations and promoters and co-promoters in India and abroad.

Shareholding pattern as on July 31, 2009

Name	No. of shares of Rs. 10/- each	% age
Asvini Kumar A V	9,500	95.00
Mohan Parvatikar	500	5.00
TOTAL	**10,000**	**100.00**

Financials for the last three years ended March 31st

(**Rs in Lakhs**)

Particulars	2005-06	2006-2007	2007-2008
Sales (Services)	--	2.33	--
Other Income	--	--	8.36
PBT	**--**	0.17	1.63
PAT	--	0.04	1.58
Share Capital	--	1.00	1.00
Reserve & Surplus	--	0.04	1.62
Net Worth	--	1.04	2.62
EPS (in Rs)	--	0.42	15.79
NAV (in Rs)	--	10.42	26.20

Litigation

There are no litigations pending by or against VASPL. Further, no notices were issued against VASPL.

M/s. Wholistic Breads Private Limited (WBPL):

WBPL was incorporated on July 06, 2007 as a Private Limited Company with the main objective of carrying and undertake the business of manufacturing of health food products.

Board of Directors as on July 31, 2009

Ms. Vanaja Arvind
Mr S. Arvind

Business activity

WBPT is into business of manufacturing health food products such as breads, cakes, energy bars, rolls and sandwiches, etc. WBPL has its own outlet for selling its product and also selling through dealers in various locations in Chennai.

Shareholding pattern as on July 31, 2009

Name	No. of shares of Rs. 10/- each	% age
Vanaja Arvind	65,000	65
Srinivasan Arvind	20,000	20
Aarti Arvind	10,000	10
Anand Arvind	5,000	5
Total	**1,00,000**	**100**

The Company was incorporated in the year 2007, hence the audited financials are available for the period from 06.07.2007 to 31.03.2008

(Rs. in lakhs)

Particulars	2005-06	2006-2007	For a period of 06.07.2007 to 31.03.2008
Sales	--	--	2.43
Other Income	--	--	--
PBT	--	--	(4.96)
PAT	--	--	(5.15)
Share Capital *	--	--	1.00
Reserve & Surplus	--	--	--
Net Worth	--	--	(6.05)
EPS (in Rs)	--	--	(51.50)
NAV (in Rs)	--	--	(60.55)

* Excludes share application money pending allotment – Rs.0.75 lakhs

Litigation

There are no litigations pending by or against WBPL. Further, no notices were issued against WBPL.

Other Disclosures

There are no purchases or sales between above entities and the Company which exceed in value in aggregate 10% of the total sales or purchases of the Company.

None of the above companies have become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor are they under winding up.

B. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the audited restated consolidated financial statements as of and for the fiscal years ended March 31, 2005, 2006, 2007, 2008 and 2009 , which are in line with the audited consolidated financial statements, and in each case, the notes thereto and included elsewhere in this Red Herring Prospectus. Some of the statements in the following discussion are forward looking statements. See "Forward Looking Statements" on page xi. The actual results could defer materially from those anticipated in these forward- looking statements as a result of certain factors and contingencies that could impact the Company's financial condition, results of operations and cash flows, including those set forth under "Risk Factors" beginning on page xiii and those set forth below.

Overview

The Company is a Banking, Financial Services and Insurance ('***BFSI***') focussed software testing enterprise with over 8-million person hour track record. The Company operates in the financial and insurance software testing space that transforms company performance and operational effectiveness. The Company was rated among '**Deloitte Tech Fast 50 India**' and '**Deloitte Tech Fast 500 Asia Pacific**' in the years 2006 and 2007 and '**Deloitte Tech Fast 500 Asia Pacific**' in the year 2008

Companies in the BFSI sector are constantly increasing their investments in IT as part of their strategy to increase profits, improve time-to-market of new products and services, cope with regulatory changes and meet rising customer demands. The problems are aggravated by mounting pressures to respond quickly to these challenges. Banks and financial institutions are sensitive to the knowledge that a single error can result in loss of repeat business, revenues and reputation. They realise the importance of testing and re-testing systems, processes, protocols and products.

By its very nature, the software testing is a very exacting job, making it imperative for this service to be managed by highly dedicated specialists and experts with the necessary domain knowledge. With 10 plus years of experience in financial domain focused independent testing, the Company has acquired the ability to customize testing solutions for clients across a variety of business areas and products to systems integrators, product development companies, and to the clients in the finance sector to achieve near defect-free rollouts. These include.

Sr. No.	Business Activity	Name of Product Tested*copy rights and patents belong to the respective product Cos.
1	Core Banking / Retail Banking	Finacle, Bancs 24, Flexcube, Newton, FinnOne, Equation, T24, CS Eximbills
2	Treasury	Kondor+, Kastle, Urbis
3	Investment Banking	MIDAS
4	Retail Lending / Loans / Mortgages	Pan Credit, LSI-NT, Foresee, Cheque mate, NBO, Generalized Installment Loans, System, Integrated Consumer Credit System
5	Credit Cards	VisionPLUS®, TS2, PRIME

6	Payment System	STS – CWS
7	Corporate Banking	FLEXCUBE®
8	Insurance	GENIUS, METFACS2, PREMIA
9	Private Banking	ORBI
10	CRM	Siebel
11	Campaign Management	ClarityQ

The Company has established a global presence / footprint in New York, London, Frankfurt, Singapore, Hong Kong, Brussels, Sydney, Bangalore and Chennai through its Wholly Owned Subsidiaries, Branch Offices and Place of Establishments.

Income by Geographical Region

The following table is derived from the selected consolidated financial data and set forth the net revenue from domestic sales and overseas sales as a percentage of net revenue on a consolidated basis for the periods indicated:

(Rs. Lakhs)

Particulars	Year ended 31.03.2009		Year ended 31.03.2008		Year ended 31.03.2007		Year ended 31.03.2006		Year ended 31.03.2005	
	Net revenue	% of net revenue	Net revenue	% of net revenue	Net revenue	% of net revenue	Net revenue	% of net revenue	Net revenue	% of net revenue
India	317.89	3.45	594.52	8.01	241.49	4.13	200.60	5.47	469.94	21.62
Overseas	8891.32	96.55	6828.90	91.99	5607.85	95.87	3468.52	94.53	1703.75	78.38
Total	9209.21	100.00	7423.42	100.00	5849.34	100.00	3669.12	100.00	2173.69	100.00

Customer Concentration

The following table sets forth the percentage of the net revenue accounted for by the Company's top 10 largest customers on a consolidated basis for the periods indicated:

Particulars	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2006	Year ended 31.03.2005
Net revenue	92.66	94.85	96.99	97.64	94.64

Significant developments after March 31, 2009 that may affect the future results of operations of the Company

In the Opinion of the Board Of Directors, there has not arisen, since the date of the last Financial Statements disclosed in this Red Herring Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of the Company and its Subsidiaries taken as a whole or the value of their Consolidated Assets or their ability to pay their material liabilities within the next twelve months.

<u>**Factors that may affect Results of Operations**</u>

- The loss of any one of the major customers, a decrease in the volume of work from these customers or a decrease in the price at which the Company offers its services to them;
- Ability to acquire new clients

- Ability to adequately and quickly expand capacity and update the systems to meet increased demands;
- Cancellation, contract termination;
- Fluctuation in currency exchange rates;
- Increased competition;
- Inability to manage growth;
- Ability to control cost or retain key employees;
- General economic and business conditions in India and other countries;
- Ability to respond to technological changes;
- Changes in laws and regulations relating to the industry in which the Company operates;
- Revocation or expiry of tax holidays, exemptions and tax deferral schemes;
- Any adverse outcome in legal proceedings in which the Company is involved;
- Potential mergers, acquisitions or restructurings among clients;
- Potential mergers, acquisitions or restructurings of the Company;
- The state of the financial markets in India and abroad

Discussion on results of operations of the Company

A summary of past financial results based on Consolidated Restated Accounts of the Company is given below:

Profit and Loss account

(Rs. Lakhs)

Particulars	FY ended 31.03.2009		FY ended 31.03.2008		FY ended 31.03.2007		FY ended 31.03.2006	
	Amount	Amount% of total income	Amount	% of total income	Amount	% of total income	Amount	% of total income
Total Income	9566.60	100.00	7443.99	100.00	5887.00	100.00	3687.98	100.00
Manpower cost	5155.81	53.89	4160.43	55.89	3016.25	51.24	2012.90	54.58
Operating, Admn., & Selling expenses	2623.52	27.42	1956.66	26.29	1647.18	27.98	1177.01	31.91
EBDIT	1787.27	18.68	1326.90	17.82	1223.57	20.78	498.07	13.51
Financial Charges	22.61	0.24	7.29	0.10	10.98	0.19	5.04	0.14
Exchange rate fluctuation loss (net)	-	-	105.34	1.42	--	--	12.22	0.33
Depreciation	158.51	1.66	132.77	1.78	176.92	3.01	80.11	2.17
PBT	1606.15	16.79	1081.50	14.53	1035.67	17.59	400.70	10.87
Provision for tax	157.24	1.64	99.81	1.34	89.55	1.52	38.54	1.05
PAT	1448.91	15.15	981.69	13.19	946.12	16.07	362.16	9.82

Cash flow position

The cash flow position of the company for the last 5 years is as follows:

Cash Flows	2008-09	2007-08	2006-07	2005-06	2004-05
Net cash from Operating Activities	1163.81	999.29	578.23	174.85	(63.57)
Net cash from Investing Activities	166.22	(522.91)	(109.04)	64.90	622.03
Net cash from Financing Activities	52.62	(87.90)	(187.97)	(54.06)	(485.58)
Net change in cash	1382.65	388.48	281.22	185.68	72.88

The net cash flow for the year ended 31st March 2009 is higher than the net cash flows for FY's 2007-08, 2006-07, 2005-06 and 2004-05. This is due to additional Revenue generated during the year and the collection cycle also improved from 99 days of sale in 2007-08 to 94 days of sale in 2008-09. Again increase in cash flow from Investing Activities due to encashment of Fixed Deposits Rs.288.47 lakhs for the FY 2008-09, (FY 2007-08 (Rs.345.28 lakhs)) and proceeds from sale of fixed assets Rs.67.05 lakhs (FY2007-08 – Nil), during the year.

Review of Consolidated results of operations

Comparison for the period ended March 31, 2009 with Year ended March 31, 2008

Total Income

The total income for the year ended March 31, 2009 was at Rs.9,566.60 lakhs, compared to Rs.7443.99 lakhs for the year ended March 31, 2008.

The Domestic Revenue was at 3.45% of the total business income compared to 8.01% for the FY 2007-08. The onsite revenue for the year ended March 31, 2009 was 62.98% of the total income compared to 42.39% for the FY 2007-08. Most of the Revenues are generated primarily on the time and material basis (88% of the revenue for the year ended March 31, 2009, compared to 93% for the FY2007-08). The balance revenue was generated on fixed price frame basis.

The Company added 17 new clients during the year ended March 31, 2009, accounting for 15% of the revenue. The revenue from the existing clients also increased compared to the FY 2007-08. While 53.74% of the revenue for year ended March 31, 2009 (FY 2007-08 – 58.15%) was generated from customers based in Europe, about 30.15% (FY 2007-08 – 25.10%) was from India, Singapore and Middle East countries and the balance revenue from Australia and US.

Expenses:

Manpower costs

The manpower costs consist of salaries paid in India and includes overseas staff expenses. Employees' remuneration and benefits, has not shown any significant variation for the year ended March 31, 2009, as it amounted to Rs. 5,155.81 lakhs constituting 53.89% of the total income, as compared to 4,160.43 lakhs, constituting 55.89% of the total income, for the FY 2007-08. The employee strength has shown a marginal decrease for the year ended March 31, 2009. The variation in cost is commensurate with the increase in offshore and onsite revenue generation and revenue mix.

Operating expenses:

Operating expenses consists of Travel expenses, marketing expenses and General and Administration expenses. Operating Expenses for the year ended March 31, 2009 amounted to Rs 2,623.52 lakhs, constituting 27.42% of the total income, as compared to Rs. 1956.66 lakhs, representing 26.29% of the total income, for the FY 2007-08 recording an increase of 34.08% in absolute terms. This increase is due to entry into new geographies like Belgium, enhanced operations in Middle East.

Finance Charges:

Finance charges for the year ended March 31, 2009 amounted to Rs. 22.61 lakhs constituting 0.24% of the total income, as compared to Rs. 7.29 lakhs, constituting 0.10% of the total income, for the FY 2007-08. The increase was due to charges levied by the Banks towards issuance of Bank Guarantees on behalf of the Company.

Depreciation

Depreciation for the year ended March 31, 2009 amounted to Rs. 158.51 lakhs constituting 1.66% of the total income as compared to Rs. 132.77 lakhs for the FY 2007-08, The increase in the Depreciation is mainly due to the full year Depreciation claimed for the additions made during the last quarter of Fy2007-08.

Profit before Tax (PBT)

Profit before Tax (PBT) for the year ended March 31, 2009 is at Rs 1,606.15 lakhs, constituting 16.79% of the total income as compared to Rs. 1,081.50 lakhs for the FY 2007-08, constituting 14.53% of the total income resulting in an increase of 48.51% on the % of the total income. The increase in PBT is mainly attributable to increase in Revenue and gain in Exchange rate fluctuations (for the year 2007-08 there was a exchange loss).

Taxes

The Company has provided the tax liability both in India and overseas. Pursuant to changes in the Indian Income Tax Act, the tax liability has been calculated after considering the Minimum Alternate Tax (MAT), which can be set off against the future tax liability. The profits attributable to the operations under the Software Technology Park (STP) scheme are exempt from Income Tax. This tax holiday is available till the year 2010. The combined tax provisions for the year ended March 31, 2009 comes to Rs. 157.24 at 1.64% of the total income, compared to Rs. 99.81 lakhs for the FY 2007-08. The increase in Tax Provision is due to Local tax liability in Belgium Branch and also due to additional tax liability due to gain in Exchange rate fluctuations.

Profit after Tax (PAT)

Profit after Tax (PAT) for the year ended March 31, 2009 amounted to Rs. 1448.91 lakhs, constituting 15.15% of the total income as compared to Rs 981.69 lakhs for the FY 2007-08, constituting 13.19% of the then total income.

Comparison of the years ended March 2008 and 2007

Total income:

The total income for the FY 2007-08 was at 7443.99 lakhs, compared to Rs.5887.00 lakhs for the FY 2006-07.

The Domestic Revenue for the FY 2007-08 was at 8.01% of the total business income compared to 4.13% for the FY 2006-07. The onsite revenue for the FY 2007-08 was 48.59% of the total income compared to 50.27% for the FY 2006-07. Most of the Revenues are generated primarily on the time and material basis (93% of the revenue for 2007-08, compared to 87% for the year 2006-07). The balance revenue was generated on fixed time frame basis.

The Company added 7 New Clients during the year 2007-08, accounting for 20% of the total income. The revenue from the existing clients also increased by 14% compared to the FY 2006-07. While 59% of the revenue for FY 2007-08 (FY 2006-07 - 65%) was generated from customers based in Europe, about 25% (FY 2006-07 - 31%) was from India Singapore and Middle East countries and the balance revenue from Australia and US.

Expenses:

Manpower costs

The manpower costs consist of salaries paid in India and includes overseas staff expenses. Employees' remuneration and benefits for the FY 2007-08 amounted to Rs. 4,160.43 lakhs constituting 55.89% of the total income, as compared to Rs. 3,016.25 lakhs, constituting 51.24% of the total income, for the FY 2006-07. The increase in cost is attributable to increase in the employees strength from 495 as at March 2007 to 582 by March 2008, in addition to general salary increases. The increase is commensurate with the increase in offshore and onsite revenue generation and revenue mix.

Operating expenses:

Operating expenses consists of Travel expenses, marketing expenses and General and Administration expenses. Operating Expenses for the FY 2007-08 amounted to Rs. 1956.66 lakhs, constituting 26.29% of the total income, as compared to Rs. 1647.18 lakhs, constituting 27.98% of the total income, for the FY 2006-07 recording a decrease of 1.69% in terms of % of the total income.

Though expenses like travel and marketing and selling expenses have increased compared to the previous year, other expenses like General administration, communication expenses have decreased in proportion to Revenue.

Finance Charges:

Financial Charges for the FY 2007-08 amounted to Rs. 7.29 lakhs, constituting 0.10% of the total income, as compared to Rs. 10.98 lakhs, constituting 0.19% of the total income, for the FY 2006-07. FY 2006-07 includes Bank Processing Charges for the facilities which were not there during FY 2007-08. This reduction in FY 2007-08 was off set by slight increase in finance charges, the net effect being a reduction under this head.

Depreciation

Depreciation for the FY 2007-08 amounted to Rs. 132.77 lakhs constituting 1.78% of the total income as compared to Rs. 176.92 lakhs for the FY 2006-07, constituting 3.01% of the then total income. The higher depreciation during the FY 2006-07 was due to addition to capital assets for the new facility created in a rented premises which are entitled for 100% depreciation in the books of accounts of the Company.

Profit before Tax (PBT)

Profit before Tax (PBT) for the FY 2007-08 amounted to Rs. 1,081.50 lakhs, constituting 14.53% of the total income as compared to Rs. 1,035.67 lakhs for the FY 2006-07, constituting 17.59% of the then total income. The decrease in PBT margin is attributable to the factors like (i) exchange rate fluctuation loss (ii) Revenue mix onsite-offshore and (iii) general increase in salaries offset to some extent by improved utilisation.

Taxes

The Company has provided the tax liability both in India and overseas. Pursuant to changes in the Indian Income Tax Act, the tax liability has been calculated after considering the Minimum Alternate Tax (MAT), which can be set off against the future tax liability. The profits attributable to the operations under the Software Technology Park (STP) scheme are exempt from Income Tax. This tax holiday is available till the year 2010. The combined tax provisions for the FY 2007-08 comes to Rs. 99.81 lakhs compared to Rs. 89.55 lakhs for the FY 2006-07.

Profit after Tax (PAT)

Profit after Tax (PAT) for the FY 2007-08 amounted to Rs. 981.69 lakhs, constituting 13.19% of the total income as compared to Rs. 946.12 lakhs for the FY 2006-07, constituting 16.07% of the then total income.

Comparison of the years ended March 31, 2007 and 2006

Total Income:

The total income for the FY 2006-07 was at Rs.5887 lakhs, compared to Rs.3687.98 lakhs for the FY 2005-06.

The Domestic Revenue was at 4.13% of the total business income compared to 5.47% for the FY 2005-06. The onsite revenue for the FY 2006-07 was 50.27% of the total income compared to 42.32% for the FY 2005-06. Most of the Revenues are generated primarily on the time and material basis (87% of the total income for FY

2006-07, compared to 88% for the FY 2005-06). The balance revenue was generated on fixed time frame basis.

The Company added 4 New Clients during the FY 2006-07. But revenue from the existing clients increased by 67% over FY2005-06. While 65% of the revenue was generated from customers based in Europe (FY 2005-06 - 78%), about 31% was from India Singapore and Middle East countries (FY 2005-06 - 15%) and the balance revenue from Australia and US.

Expenses:

Manpower costs

The Employee costs consist of salaries paid in India and includes overseas staff expenses. Employees' remuneration and benefits for the FY 2006-07 amounted to Rs. 3016.25 lakhs constituting 51.24% of the total income, as compared to Rs.2012.90 lakhs, constituting 54.58% of the total income, for the FY 2005-06.

The reduction in Employee cost as % of the total income was mainly attributable to better utilization of the resources.

Operating expenses

Operating expenses consists of Travel expenses, marketing expenses and General and Administration expenses. Operating Expenses for the FY 2006-07 amounted to Rs. 1647.18 lakhs, constituting 27.98% of the total income, as compared to Rs. 1177.01 lakhs, constituting 31.91% of the total income, for the FY 2005-06.

Travel and Marketing and selling expenses have increased compared to the previous year in terms of amount. The increase was due to better market coverage for the services of the Company.

Finance Charges

Financial Charges for the FY 2006-07 amounted to Rs. 10.98 lakhs, constituting 0.19% of the total income, as compared to Rs. 5.04 lakhs, constituting 0.14% of the total income, for the FY 2005-06 resulting in an increase of 117.86%. The increase was mainly attributable to Bank Processing Charges for the credit facilities sanctioned by the Bank.

Depreciation

Depreciation for the FY 2006-07 amounted to Rs. 176.92 lakhs constituting 3.01% of the total income as compared to Rs. 80.11 lakhs for the FY 2005-06, constituting 2.17% of the then total income. The higher depreciation during the FY 2006-07 was due to additions to capital assets for the new infrastructure facility created in a rented premise and depreciated at the rate of 100%, as applicable.

Profit before Tax (PBT)

Profit before Tax (PBT) for the FY 2006-07 amounted to Rs. 1,035.67 lakhs, constituting 17.59% of the total income as compared to Rs. 400.70 lakhs for the FY 2005-06, constituting 10.87% of the then total income resulting in a increase of

158.47% over FY 2005-06 in terms of amount. The said increase in PBT is attributable to the factors like (i) increase in revenue (ii) Exchange gains (iii) improved utilization.

Taxes

The profits attributable to the operations under the Software Technology Park (STP) scheme are exempt from Income Tax. This tax holiday is available till the year 2009-10. The combined tax provisions for the FY2006-07 comes to Rs 89.55 lakhs compared to Rs 38.54 lakhs for the FY 2005-06. The higher tax compared to FY 2005-06 attributable to higher profits earned during the FY 2006-07, particularly from Branches outside India.

Profit after Tax (PAT)

Profit after Tax (PAT) for the FY 2006-07 amounted to Rs. 946.12 lakhs, constituting 16.07% of the total income as compared to Rs. 362.15 lakhs for the FY 2005-06, constituting 9.82% of the then total income resulting in an increase of 161.25% over FY 2005-06 in terms of amount.

Comparison of the Years ended March 31, 2006 and 2005

Revenue:

The Revenue for the year 2005-06 was at Rs.3687.98 lakhs for FY 2005-06, compared to Rs.2216.01 lakhs for FY 2004-05.

The Domestic Revenue was at 5.47% of the total business income compared to 21.62% for the FY 2004-05. During the year 2004-05, the company executed a major order for a Domestic Bank, hence higher domestic income. The onsite revenue for the year 2005-06 was 42.32% of the total income compared to 38% for the FY 2004-05. Most of the Revenues are generated primarily on the time and material basis (88% of the revenue for FY 2005-06, compared to 74% for the FY 2004-05). The balance revenue was generated on fixed time frame basis.

The Company added six (6) New Clients during the FY 2005-06. Revenue from the existing clients increased by 45% over FY 2004-05. While 76.85% of the revenue was generated from customers based in Europe (FY 2004-05 - 65%), about 15.13% was from India Singapore and Middle East countries (FY 2004-05 - 27%) and the balance revenue from Australia and US.

Expenses:

Manpower costs

The manpower costs consist of salaries paid in India and includes overseas staff expenses. Employees' remuneration and benefits for the FY 2005-06 amounted to Rs. 2012.90 lakhs constituting 54.58% of the total income, as compared to Rs.963.03 lakhs, constituting 43.46% of the total income, for the FY 2004-05.

The increase is due to increase in the number of employees from 291 in FY 2004-05 to 459 in FY 2005-06 and annual salary increment for the employees.

Operating expenses:

Operating Expenses for the FY 2005-06 amounted to Rs. 1177.01 lakhs, constituting 31.91% of the total income, as compared to Rs. 959.39 lakhs, constituting 43.29% of the total income, for the FY 2004-05.

The decrease in Operating Expenses as a % of the total income is attributable to decrease in consultancy charges and travel expenses.

Finance Charges:

Finance charges for the FY 2005-06 amounted to Rs. 5.04 lakhs, constituting 0.14% of the total income, as compared to Rs. 16.00 lakhs, constituting 0.72% of the total income for the FY 2004-05. For the FY 2004-05 an amount of Rs.8.45 lakhs was paid towards interest for FCNRB loan, which was fully repaid subsequently.

Depreciation

Depreciation for the FY 2005-06 amounted to Rs. 80.11 lakhs constituting 2.17% of the total income as compared to Rs. 65.35 lakhs for the FY 2004-05, constituting 2.95% of the then total income. The said increase in the depreciation is due to additions in Fixed Assets.

Profit before Tax (PBT)

Profit before Tax (PBT) for the FY 2005-06 amounted to Rs. 400.70 lakhs, constituting 10.87% of the total income as compared to Rs.189.04 lakhs for the FY 2004-05, constituting 8.53% of the then total income resulting in a increase of 111.97% over FY 2004-05 in terms of amount. The increase in PBT is attributable to (i) increase in revenue (ii) Exchange gains.

Taxes

The profits attributable to the operations under the Software Technology Park (STP) scheme are exempt from Income Tax. This tax holiday is available till the FY 2009-10. The combined tax provisions for the FY 2005-06 comes to Rs 38.54 lakhs compared to Rs 32.84 lakhs for the FY 2004-05.

Profit after Tax (PAT)

Profit after Tax (PAT) for the FY 2005-06 amounted to Rs. 362.16 lakhs, constituting 9.82% of the total income as compared to Rs. 156.20 lakhs for the FY 2004-05, constituting 7.05% of the then total income resulting in a increase of 131.86% over FY 2004-05 in terms of amount.

Disclosures about market risks

Exchange rate risk

The Company's exposure to currency risk arises from its foreign currency revenues, receivables and payables. The results of operations of the Company may be affected by fluctuations in the exchange rates between the Australian Dollar, US Dollar, UK Pounds, Singapore Dollar and Europe Euros against the Indian Rupee. The Company has adopted the Indian Rupee as its reporting currency but it currently transacts its business primarily in US Dollars and UK Pounds and, to a lesser extent in Australian Dollars, Singapore Dollars, and Europe Euros. In financial year 2006-07 and 2007-08, the Company has derived 95.9% and 92% of its revenue from its overseas business. To the extent the Australian Dollar, US Dollar, UK Pounds, Singapore Dollar and Europe Euros depreciates against the Indian Rupee, the revenue that the Company reports in Indian Rupees will be negatively affected. On the other hand, an appreciation of the Australian Dollar, US Dollar, UK Pounds, Singapore Dollar and Europe Euros against the Indian Rupee would increase the Company's revenue reported in the Indian Rupee.

Critical Accounting Policies

The consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"). Indian GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, as amended (the "Companies Act"). The management evaluates all recently issued or revised accounting standards on an ongoing basis.

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from management's estimates.

Income Tax

Income tax comprises the current tax provision, net change in deferred tax asset or liability in the year and fringe benefit tax. Provision for current tax is made taking into account the admissible deductions or allowances and is subject to revision based on the taxable income for the fiscal year ending March 31 each year. Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the balance sheet date. Deferred tax assets are recognised subject to management's judgment that realisation is virtually certain. The effect of changes in tax rates on deferred tax assets and liabilities is recognised in the income statement in the period of enactment of change. Where the company pays Minimum Alternate Tax (MAT) as per the Indian Income Tax Act, the same is recognised as MAT credit towards future tax adjustments, as applicable.

Information required pursuant to Clause 6.10.5.5(a) of the SEBI Guidelines

Unusual or infrequent events or transactions

To the best of our knowledge and other than as described in this Red Herring Prospectus, there have been no significant events which may be called "unusual" or "infrequent" in the context of, and that we expect to materially affect, the business of the Company.

Significant economic/regulatory changes

For a discussion of significant regulatory policies and changes that affect the Company, please see the section titled "Regulations and Policies" beginning on page 108 of this Red Herring Prospectus.

For a discussion of significant economic/market developments that affect the Company, please see the section titled "Industry Overview" beginning on page 66 of this Red Herring Prospectus.

Known trends or uncertainties

There are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future relationship between costs and income

There are no known factors, which will affect the future relationship between the costs, and revenues, which will have a material impact on the operations and finances of the Company.

Total turnover of each major industry segment in which the Company operates

The Company derives its entire turnover from Software services.

New services or business segments

The Company expects to develop its business to offer specific new services within its current general areas of operations and does not intend to enter into any entirely new lines of business in the foreseeable future.

Seasonality of business

The business of the Company is not seasonal.

Dependence on customers

For a discussion of dependence on a small number of customers, please see the risk factor titled "The Company's revenues are highly dependent on its clients located in Europe. Economic slowdowns and other factors that affect the economic health of Europe may affect the Company's business" *on* page xiii of this Red Herring Prospectus.

Competitive Conditions

For a discussion of the competitive conditions that the Company faces, please see the section entitled "Competition" on page 91 of this Red Herring Prospectus.

C. FINANCIAL INDEBTEDNESS

The details of the Company's borrowings/limits are as follows:

1 *Agreement with Lakshmi Vilas Bank:*

The company has obtained a sanction letter dated July 21, 2008 and October 30, 2007 (renewed vide letter no. LVB/434/CR/GEN/3/2009-10 dated April 15, 2009) whereby Lakshmi Vilas Bank has sanctioned various facilities of CCBD limit and Forward purchase contract.

Following are certain key terms and conditions of the facilities granted:

Sanctioned Amount (Rs. in Lakhs)	**Amount Outstanding (Rs. in Lakhs)**	**Material Terms**
144	Nil	**Bank Guarantee:** • Commission payable 2% p.a. • Margin 25% • To be extended on one time basis for issuing LGs for a period of 6 years in favour of 1. M/s TVSC-SGI International Ltd for Rs.47.52 Lakhs 2.M/s Sunco Machines Ltd for Rs.47.52 Lakhs and 3. Shri.Srinath Rajam for Rs.48.96 Lakhs.
250 1200	Nil	**Cash/Credit facility:** • BPLR -1 (Present Effective Rate: 14.25% p.a.) payable at monthly rests. • Margin 30% • Hypothecation of Current assets/ book debts and Personal security of Mr. A V Asvini Kumar and Mr.Mohan Parvatikar • Validity till March 30, 2010 **Forward Purchase Contract:** • Validity March 30, 2010

Other Key Terms and Conditions:

1. Security:

i. First pari passu charge by way of Hypothecation of entire Current assets of the company, including book debts.
ii. The facility limit is secured by first charge by way of hypothecation of the company movable fixed assets, consisting computer equipments, office equipments etc.
iii. Personal guarantee of Mr. A V Asvini Kumar and Mr.Mohan Parvatikar.

2. The bank shall be entitled to vary/change the rate of interest from time to time or method of computation of such rate of interest or to charge an additional or penal rate by sending intimation to the Company.

3. Amounts unpaid on due date will attract interest at 2% per month compounded monthly.

4. Charges on the Company's current and fixed assets already registered with RoC will be continued. Necessary modification should be registered with RoC within the stipulated time from the date of documentation.
The Company shall submit data (as required by the bank) from time to time. The QIS statement if not submitted in time would attract penal interest of 1%.

5. The Company shall ensure that entire assets are insured to its full value with Bank clause.

6. Submit stock and receivables audit report at yearly intervals.

7. Submit annual audited financial statements every year during tenure of the facility provided by the bank with in 6 months of the close of the financial year.

8. FPC exposure limit of Rs.1200 lakhs will be allowed to book forward contract on documentary evidence only subject to the specific conditions as well as the other conditions stipulated for the FPC.

9. During the currency of the Banks credit limits / facilities, the company should not without banks prior approval:

a. Effect any change in the ownership / firms management / constitution or capital structure
b. Formulate any scheme of amalgamation or reconstruction.
c. Implement any scheme of expression or acquire fixed assets other than those shown in the cash flow statements.
d. Invests by way of share capital in or lend or advance funds to or place deposits with any other concern. Normal trade credit or security deposits in the normal course of business or advance to employees can however be extended.
e. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution and firm or otherwise.
f. Undertake guarantee obligations on behalf of any other firm
g. Declare dividend over and above the percentage indicated in the cash flow statements for any year.

h. Withdraw loans/ deposits secured from Directors and promoters of the firm.
i. Give guarantee on behalf of any third party.
j. Dispose of whole or substantially the whole of the undertaking.

10. The borrower to give consent to disclose their names in the event of their becoming defaulters.

11.The Bank shall have the right to examine at all times the Company's books of accounts and to have the assets charged to the Bank inspected at periodical intervals either through its own officers or by outside agencies. The expenses pertaining to such inspections will be to the company's account.

12. The bank reserves the right to review the terms and conditions for sanction as may be deemed necessary in the opinion of the bank in the event of any adverse material change in the market conditions and/or in the financial position, constitution or ownership of the firm.

SECTION VI - LEGAL AND OTHER INFORMATION

A. OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as detailed below, there are no outstanding litigation, suits, criminal or civil prosecutions, potential disputes, labour disputes, bargains and demands, investigations, Central / State Government claims or inquiries, proceedings or tax liabilities, over-dues to banks/financial institutions, defaults against banks/ financial institutions, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company or its Subsidiaries or its Group Companies or its promoter or its directors. Other than as detailed below, there are no defaults of non-payment of statutory dues against the Company including under the excise, customs, sales tax, income tax and service tax, and no disciplinary action has been taken by SEBI or any stock exchanges against the Company.

Contingent liabilities

As of March 31, 2009 , the Company has the following contingent liabilities

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.14.09 lakhs
- Service tax related matters Rs.36.09 lakhs, alongwith interest and penalty
- Counter guarantees issued to the bank for the bank guarantees obtained Rs.153 lakhs

A. Cases filed against the Company: Nil

B. Cases filed by the Company:

Sl. No.	Details of the Case/Dispute		Brief Facts	Status
	Complaint/ Case No. filed before:	Parties		
1.	Commissioner of Income Tax (Appeals)	Company V/s Assistant Commissioner of Income Tax	The Assistant Commissioner of Income Tax issued a notice under Section 142 (1) dated September 21, 2007 related to the AY 2005-06 alleging that the Company was claiming deduction under Section 10A of the Income Tax Act, 1961 before setting off the unabsorbed depreciation for	Matter is pending adjudication before CIT (Appeals) Bangalore.

			assessment year 2004-05 which was not acceptable. Further, the Assistant Commissioner rejected the revised Form 56F filed by the Company alleging that it was not filed before March 31, 2007 vide its Order dated November 30, 2007. The Company has filed an appeal against the said Order before the Commissioner of Income Tax (Appeals). The Company had also filed the revised return in Form 56F on the ground that while computing the export turnover of the undertaking, the turnover of the United Kingdom branch had been inadvertently omitted.	
2.	Commissioner of Income Tax (Appeals)	Company V/s. The Assistant Commissioner of Income Tax	The Company had filed its return of income for the assessment year 2002-2003 declaring a total income of Rs.29, 56,270/-Thereafter an order dated July 30, 2007 was passed by the Asst. Commissioner of Income Tax making certain exclusions from export turnover and lowering the deduction under section 10A of the Income Tax Act, 1961 by Rs.16,56,547/-. Consequently, the total income as determined by the assessing officer was Rs. 46,12,817/- This resulted in an increase	Matter is pending adjudication - before CIT (Appeals) Bangalore.

			of. Rs.5,91,386./- in the tax demand. Furthermore the assessing officer levied interest pursuant to which the total tax payable as per the assessment order under section 143 (3) of the Income Tax Act, 1961 was Rs.6,45,515/-. Aggrieved by the said order, the Company has filed an appeal on September 12, 2007 before the Commissioner of Income Tax (Appeals) seeking that the order of the Assessing Officer be set aside.	
3.	Commissioner of Income Tax (Appeals)	Company V/s. The Assistant Commissioner of Income Tax	The Company had filed its return of income for the assessment year 2003-2004 declaring a total income of Rs.54,87,222/- Thereafter an order dated July 30, 2007 was passed by the Asst. Commissioner of Income Tax making certain exclusions from export turnover and lowering the deduction under section 10A of the Income Tax Act, 1961 by Rs.35,66,177/-. Consequently, the total income as determined by the assessing officer was Rs. 90,53,339/- .This resulted in an increase of Rs.13,10,915/- in the income tax demand. Furthermore the assessing officer levied interest pursuant to which the	Matter is pending adjudication - before CIT (Appeals) Bangalore.

			total tax payable as per the assessment order under section 143 (3) of the Income Tax Act, 1961 was Rs.15,36,518/-. Aggrieved by the said order, the Company has filed an appeal on September 12, 2007 before the Commissioner of Income Tax (Appeals) seeking that the order of the Assessing Officer be set aside.	
4.	Commissioner of Central Excise (Appeals)	Company v/s Additional Commissioner of Service Tax	The Additional Commissioner of Service Tax has alleged that the Company has not paid the service tax on the 'Technical testing and analysis' services rendered by them for the period from July 1, 2003 to December 31, 2005 in violation of Section 68 of Finance Act, 1994 read with Rule 4 of the Service Tax Rules, 2004 vide Show Cause notice dated July 18, 2007 to which the company replied stating that their case do not fall within the purview of the Finance Act, 1994. The Additional Commissioner after hearing the case passed the order in Order-in Original No. 15/2008 dated June 12, 2008 calling upon the Company to pay a service tax of Rs. 35,75,556/- and education cess of Rs. 33,782/- for the period from July 1, 2003 to December 31,	Matter is pending adjudication before the Commissioner of Central Excise (Appeals).

			2005. Further, the Company has been asked to pay interest and also penalty. Aggrieved by the said order, the Company has preferred an appeal on September 18, 2008 before the Commissioner of Central Excise (Appeals) and has also filed a stay petition with the Commissioner for the recovery of disputed amount.	
5.	Commissioner of Income Tax (Appeals)	Company V/s. The Assistant Commissioner of Income Tax	The Company had filed its return of income for the assessment year 2006-2007 declaring a total income of Rs.40,03,372/- Thereafter an order dated November 28, 2008 was passed by the Asst. Commissioner of Income Tax making certain exclusions from export turnover and recomputed the deduction under section 10A of the Income Tax Act 1961 resulting in a demand of Rs.43,77,039. The Company thereafter filed a petition under section 154 of the Income Tax Act for rectification of certain mistakes apparent from the records. Thereafter, the Assessing Officer passed a Rectification Order dated February 3, 2009, lowering the deduction under section 10A of the	Matter is pending adjudication - before CIT (Appeals) Bangalore.

			Income Tax Act, 1961. This resulted in a tax demand of Rs. 30,44,591/- which includes interest. Aggrieved by the said order, the Company has filed an appeal on February 10, 2009 before the Commissioner of Income Tax (Appeals) seeking that the order of the Assessing Officer be set aside. The Company has also requested the Assistant Commissioner of Income Tax to keep in abeyance the collection of taxes till the above appeal matter filed before the Commissioner of Income Tax (Appeals) is disposed of. In the meanwhile, on February 27, 2009, the Company has paid an amount of Rs.15,25,000/- and the balance amount of Rs.15,19,591/- was deducted by the department from the amount due from the assessment year 2007-08. Further, the Company has received a notice dated April 17, 2009 calling upon the Company to show cause as to why penalty under section 271(1)(c) of the Income Tax Act, 1961, should not be levied. The Company, vide letter dated April 22, 2009 has informed the authority that its representative was	

			unable to be present as notice was received on April 21, 2009 and hence requested that the hearing be held at a convenient date. No further corresponce has been received by the Company from the Authorities.	

Litigations against the Company:

Other than those disclosed above, the Company is not involved in:

1. Litigation involving Criminal Offences

2. Litigation/Disputes involving Securities related offences, including penalties imposed by SEBI or any other securities market regulator in India or abroad

3. Litigation involving Statutory and other offences, including penalties imposed by any regulatory authority in India or abroad (Present or past)

4. Litigation involving Civil and Economic Offences

5. Litigation in the nature of winding up petitions/ liquidation/ bankruptcy / closure filed by / against the company

Non payment of statutory dues or dues to Banks / Institutions: Nil

Overdue interest/ principal as on current date: Nil

Prosecution under Schedule XIII to the Companies Act, 1956: Nil

There have been no defaults and there are no overdues in respect of bonds, debentures and fixed deposits (placed through public or private placement) and arrears in respect of cumulative preference shares or any other liabilities as on current date.

Further, there are no litigations/disputes/penalties or any proceedings known to be contemplated by government authorities.

The Company does not owe sum exceeding Rs. 1 lakhs outstanding for more than 30 days to Small and Medium Enterprises or any other creditors as on March 31, 2009, except ASG Immigration Limited (UK Branch)

The Company has not received any notice in respect of any litigation involving any other Company whose outcome could have adverse effect on the position of the Company.

C. Cases filed against or by the Promoters:

There are no pending litigations in which the promoters are involved. No defaults have been made to the financial institutions/ banks, non-payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the Promoters and the companies/ firms promoted by the promoters.

Further, there are no cases of pending litigations, defaults, etc. in respect of companies/ firms/ ventures with which the Promoters were associated in the past but are no longer associated.

Further, there are no litigations against the Promoter involving violation of statutory regulations or alleging criminal offence.

There are no pending proceedings initiated for economic offences against the promoters, companies and firms promoted by the promoters.

There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/ civil offences (including the past cases). Further, no disciplinary action was taken by the SEBI/ stock exchanges against the promoters and their other business ventures (irrespective of the fact whether they are companies under the same management with the Issuer Company as per section 370 (1B) of the Companies Act, 1956).

D. Cases filed against the Subsidiaries and Group Companies: NIL

E. Cases filed by the Subsidiaries and Group Companies: NIL

Thinksoft (India) Services Pvt. Ltd., the subsidiary of the Company, has initiated proceedings for voluntary winding up. The same is approved in its extraordinary general meeting dated December 26, 2007 stating that pursuant to the declaration of solvency dated December 01, 2007 made by the Board of Directors of the company under Section 488 of the Companies Act, 1956 that the company has no debts, the company be wound up voluntarily pursuant to section 484 (1)(b) of the Companies Act, 1956.

F. Litigations against the Company's Directors

There is no outstanding litigation against the Directors of the Company.

There are no pending litigations against the directors involving violation of statutory regulations or alleging criminal offence.

There are no pending proceedings initiated for economic offences against the directors.

There are no past cases in which penalties were imposed by the concerned authorities on the Company's directors.

There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/ civil offences (including the past cases), any disciplinary action taken by the SEBI / stock exchanges against the Company's directors.

G. Litigations by the Company's Directors

NIL

H. Notices issued against the Company

Sl. No.	Date of the Notice	Parties	Brief Facts	Status
1.	November 28, 2008	The Assistant Commissioner of Income Tax Circle, Bangalore and the Company.	The Assessing Officer has sent a notice under Section 115WE (2) of the Income Tax Act, 1961 dated October 29, 2007 requiring the Company to be present at his office on November 20, 2007 to collect certain further information on the return of Fringe Benefit submitted on November 17, 2006 for the assessment year 2006-07. The Company has written a letter on November 23, 2007 to the Assistant Commissioner of Income Tax requesting him to postpone the date of hearing and the same has been received by the office of the Assistant Commissioner of Income Tax on December 4, 2007. The Assessing Officer called for personal hearing during November 2008. Company's authorised representatives appeared before the Assistant Commissioner of Income Tax on November 21, 2008 and submitted the information called for during the course of hearing. a Pursuant to the hearing, the Assessing Officer has sent a notice under Section 156 of the Income Tax Act, 1961 dated November 28, 2008	The Company has filed a petition under Section 154 for the rectification of the Assessment Order on January 5, 2009. The order on the same is awaited.

			requiring the Company to pay a sum of Rs.12,85,960 /- for the assessment year 2006-07(FBT) in accordance with his assessment order dated November 28, 2008. The assessment has been made under Section 115WE (3) of the Income Tax Act, 1961 stating that the assessment has been concluded in accordance with the return of income. The notice under section 156 further states that, if the Company does not pay the said amount within 30 days of service of the notice, the Company shall be liable for the following- i) Simple interest of 1.5% for every month or part thereof in accordance with Section 220 (2). ii) Penalty (which may be as much as the amount of tax in arrear) may be imposed after giving reasonable opportunity in accordance with Section 221. iii) Proceedings will be initiated in accordance with Sections 222 to 229, 231 and 232 of the Income Tax Act, 1961.	
2.	December 27, 2008	Office of the Professional Tax Officer, Bangalore and the Company.	The Office of the Professional Tax Officer has vide the said notice issued under Section 7(2)(a) called upon the Company to produce the accounts documents and papers stated therein for verification of the assessments for the year	The Company has appeared before the Assistant Inspector of Labour and has submitted the annual returns for the year 2008

			upto 2007-08	
3	April 17, 2009	Office of the Regional Office, Employees' State Insurance Corporation, Chennai	The Office of the Regional Office, Employees' State Insurance Corporation, Chennai has issued a notice bearing Code No. Ins IV/51-77060-67 calling upon the Company to file a statement or explain their position with regard to coverage under the E.S.I. Act.	The Company has appeared before the authority. Further, steps awaited.
4	March 16, 2009	The Assistant Commissioner of Income Tax Circle, Bangalore	The Company has received a notice dated March 16 2009 u/s 115WE(2) (FBT) for the assessment year 2007-2008 to produce documents, accounts and evidence in support of the returns filed..	It is represented that the Company has informed the authority that file relating to the matter is under transfer from the Income tax authorities in Bangalore to the income tax authorities in Chennai and has requested that no further action be taken on the matter. The Company is awaiting the taking up of the assessment proceedings by the Chennai Commissionerate.
5	March 16, 2009	The Assistant Commissioner of Income Tax Circle, Bangalore	The Company has received a notice dated March 16, 2009 u/s 143(2) for the assessment year 2007-2008 to produce documents, accounts and evidence in support of the returns filed. A further notice dated June 10 2009 was received calling upon the Company to appear for assessment proceeding.	It is represented that the Company has informed the authority that file relating to the matter is under transfer from the Income tax authorities in Bangalore to the income tax authorities in Chennai and has requested that no further action be taken on the matter. The

				Company is awaiting the taking up of the assessment proceedings by the Chennai Commissionerate.

I. Notices issued by the Company: NIL

J. Notices issued against the Subsidiaries and Group Companies: NIL

K. Notices issued by the Subsidiaries and Group Companies: NIL

The promoters, their relatives (as per Companies Act, 1956), issuer, group companies, associate companies are not detained as willful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Except the cases mentioned above there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities present or past by / against the Company, Directors, promoters and against the directors in their individual capacity that would have a material adverse effect on the Company and there are no defaults, non-payment or over dues of statutory dues, institutional/ bank dues that would have a material adverse effect on the Company.

The Company, promoters, directors or any of the Company's Associates or Group companies or other ventures of the promoters and companies with which the directors of the Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad.

There are no changes in the business of the Company, including discontinuance of lines of business, during the last five years, which may have had a material effect on the profits of the Company.

Material Developments

In the Opinion of the Board Of Directors, there has not arisen, Since the date of the last Financial Statements disclosed in this Red Herring Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of the Company and its Subsidiaries taken as a whole or the value of their Consolidated Assets or their ability to pay their material liabilities within the next twelve months.

B. STATUTORY LICENSES/ APPROVALS

The Company has received the necessary consents, licenses, permissions and approvals from the Government/RBI and various other government agencies required for running its present businesses. The Company can undertake this Issue and all the present activities in view of the present approvals and no further major approvals from any statutory body are required by the Company to continue with its present activities.

The approvals obtained by the Company are arranged in the following order:

Sl. No	Act under which the license/ approval is issued	Details of the Applicable Statute and Section	Issuing Authority	Details of the license / approval
1	The Companies Act, 1956	-	Registrar of Companies, Karnataka, Bangalore	Certificate of Incorporation No. 08/23821 Dated June 8, 1998
2	Foreign Trade Policy	-	Foreign Trade Development Officer, Ministry of Commerce, Government of India.	IEC Number 0700002090 Date of issue - May 12, 2000
3	The Companies Act, 1956 – Sections 21, 31 & 44	Change of Name (Relliant Global Services (India) Private Limited to Thinksoft Global Services Private Limited).	Registrar of Companies	Fresh Certificate of Incorporation dated December 17, 1999.
4	The Companies Act, 1956 – Section 18(1) of the Companies Act, 1956	Shifting of Registered Office from Karnataka to Tamilnadu	Registrar of Companies	The Company Law Board Order dated January 11, 2008 and new CIN number bearing U64202TN1998PTC066604 allocated by the Registrar of Companies, Tamilnadu, Chennai, Andaman and Nicobar Islands on February 26, 2008
5	The Companies Act, 1956 – Sections 21, 31 and 44 of the Companies Act, 1956	Change of Name (Pursuant to conversion into Public Limited Company)	Registrar of Companies	Fresh Certificate of Incorporation dated August 19, 2008 bearing CIN no. U64202TN1998PLC066604

A. Approval from Central and State Tax Authorities

Sl. No	Act under which the license/approval is issued	Details of the Applicable Statute and Section	Issuing Authority	Details of the license / approval
6	Income Tax Act, 1961 – Section 139 A	The Company is required to complete the assessments for the respective financial years and duly file the returns with the Income Tax Authorities.	Chief Commissioner of Income-Tax	Permanent Account Number (PAN): AABCT0976G In the name of Thinksoft Global Services Limited, VSI Estate, Chennai
7	Income Tax Act, 1961 - Section 203	The Company is required to obtain Tax Deduction Account Number (TAN) and pay the tax deducted at source to the Central Government within the prescribed time	Income Tax Department	TAN No. CHET10417B Area code: CHE Range Code: 152
8	Finance Act, 1994 - Section 69	The Company is liable to pay the service tax within such time and in such manner and in such form as may be prescribed and should make an application for registration to the Superintendent of Central Excise.	Office of the Commissioner of Service Tax, Department of Revenue	***Service Tax Code (Registration Number):*** AABCT0976GST001 Dated August 01, 2008 Taxable service – Test, Inspection, Certification Premises code SF0205/3401/2008 AABCT0976GSD002 Dated March 26, 2009 Taxable service – Test, Inspection, Certification

9	Karnataka Shops and Commercial Establishments Act, 1961	The Company is required to obtain a registration under Rule 4 of the Karnataka Shops and Commercial Establishments Act, 1961.	Deputy Labour Commissioner	***Registration No:*** 73/VS/606/2007 dated October 25, 2007 ***Valid upto:*** December 31, 2009
10	Tamil Nadu Urban Local Bodies Tax on Professions, Trades, Callings Employment Rules, 1998	**-**	Commissioner, Revenue Department, Corporation of Chennai	**Registration No-** PTNAN: 10/154/PE/NEW –for the premises situated at Type II, No.5, Dr. VSI Estate, Thiruvanmiyur, Chennai.

C. Labour related approvals

11	Employees Provident Funds and Miscellaneous Provisions Funds Act, 1952 – Section 1 (3) (b)	As per the provisions of the Employees Provident Fund and Miscellaneous Provisions Act 1952, the Company is required to provide and formulate a scheme for the provision of Provident Fund, Pension and an Employees Deposit Linked Life Assurance Scheme.	Assistant P.F. Commissioner (Enf.), Regional Provident Fund Commissioner, Tamil Nadu	Employees Provident Fund Code: TN/49417 Dated March 27, 2001
12	Employees State Insurance Act, 1948 - Section 2A	As per the provisions of the Employees State Insurance Act 1948, the Company is required to provide and formulate a scheme for the benefit of its employees and to make contributions in terms of the said legislation and obtain the statutory registration.	Dy. Director (INS) for Regional Director	Employees State Insurance Code: **51/77060/67** Dated July 05, 2001
13	Contract Labour (Regulation & Abolition) Act, 1970 Section 7(2)	Under the Contract Labour Act, the Company as a Principal Employer is liable to check whether the contractor is following the statutory requirements and that the contractor whose services are engaged by such company, are required to obtain a registration and obtain a license for the purpose of	Office of the Assistant Labour Commissioner & Registering Officer.	Registration No. 122/CNI/07 dated November 19, 2007

		employing and providing contract labour services. Further, in terms of the Contract Labour (Regulation and Abolition) Act 1970, the Company is required to verify the contractors' compliance with provisions thereof in terms of payment of minimum wages, provision of social security and other benefits to its contract labour.		

D. Other Approvals/Certification

	Endorsing Authority	Purpose	Certificate Details
14	Underwriters Laboratories Inc	Certification for the Information Security Management System associated with Provision of Offshore Software Testing Services for Banking, Financial Services and Insurance (BFSI) Segment in accordance with Statement of Applicability (SOA) V 3.0 Dated : March 19, 2007	File No. A16083 of Volume 1 Original Certificate Date – April 21, 2007 ISO 27001: 2005 Issue date – April 21, 2007 Valid upto – April 20, 2010
15	Underwriters Laboratories Inc	Certification for the Computer Programming Services. Provision of Independent offshore software testing services for Banking, Financial Services and Insurance (BFSI) Segment	File No. A15207 of Volume 1 Original Certificate Date – October 24, 2006 ISO 9001: 2000 Issue date – October 24, 2006 Valid upto – October 23, 2009

Registration as a Software Technology Park (STP)

All units engaged in development of software (the definition of "software" includes back office processes) and undertaking to export their entire production of goods and services may be set up under the Software Technology Park (STP) Scheme. The said scheme is issued and formulated under the Export Import Policy of the Government of India and is to be read in conjunction with the provisions of the said Policy, The Customs Act, 1962 and Customs Tariff Act, 1975. The software units registered under the above Scheme are registered as software technology parks, ("STP Unit") and may undertake exports using data communication links in the form of physical including export of professional services.

A STP Unit is recognized as a duty free custom bonded area under Section 65 of the Customs Act 1962. The normal procedure applicable for custom bonding is required to be followed. All the imports by STP Units are duty free and no attached export obligations are usually imposed. Further, upon registration of the software technology park, the Company is also entitled to seek exemption from payment of income tax in respect of any income earned from export of software from such registered software technology park till financial year ended March 2010 as per present tax laws.

The Director of STPI gave approval for setting up of 100% export orient unit under the STP Scheme of Government of India to the Company vide letter dated March 26, 2000 bearing Ref. No. STPIC/G514/99-2000/3244. Further, the Company was extended all the facilities and privileges admissible subject to the provisions of the export oriented unit scheme envisaged in Export Import Policy 1997-2002 under the STP Scheme vide Green Card No. MIT/STPI-C/2000/2807 dated May 26, 2000. The said Green Card has been renewed upto March 25, 2010 subject to the condition that the premises is custom bonded for the said period vide Letter dated April 10, 2007 bearing Ref. No.STPIC/G514/2006-07/30 addressed to the Company by the Director of the Software Technology Parks of India. The premises that is presently registered at STP units of the Company is at Ground, 1st , 2nd ,3rd and 4th floors, Type II, No.5, Dr. Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai 600041 admeasuring 18,579 sq.ft was registered as an STP facility vide letter dated October 17, 2007 bearing reference number STPIC/Expan/17102007/0003/8102/939.

The Company has entered into an Agreement for Software Technology Park dated April 20, 2005 for a period of five (05) years with the Director, Software Technology Park of India, Chennai. Under this Agreement, the Company is obliged to earn foreign exchange by exporting 100% of their production of computer software and/or services for a period of five years and to fulfill the terms and conditions undertaken under the Letter of Permission (LOP)/Letter of Intent (LOI) regarding manufacture of items specified therein for export, which items alone shall be taken into consideration to calculate the foreign exchange. In the event the unit is not able to fulfill the export obligation undertaken therein except when the fulfillment of such conditions is prevented or delayed by any law and order, proclamation, regulation/ordinance of the Government or the shortfall in fulfillment of foreign exchange is within the permissible limits specified in the monitoring guidelines given at Appendix 14-IG of the STP scheme, the unit would be liable to pay for penal action under the provisions of the Foreign Trade (Development & Regulation) Act, 1992 and the Rules and Orders made thereunder. Further, the unit shall also be subject to the conditions stipulated and required for availing exemption from duty of

Customs and Excise under the relevant Customs and Excise Notifications and any customs duties/excise duties and interest payable to/leviable by the government for failure to fulfill such conditions shall also, without prejudice to any other mode of recovery be recoverable in accordance with the provisions of Section 142 of the Customs Act, 1962/Section II of the Central Excise Act, 1944 and the rules made thereunder and/or from any payment due to the unit from the government. The Company is also required to submit the Annual Performance Report failing which the further imports and DTA sale will not be permitted. Any wrongful submission of the information or failure to submit information within the stipulated time, the Director is permitted to withdraw permission.

Customs Act.

Bonding of Premises

The Companies who opt for the 100% STP unit's scheme are entitled for duty free imports of Capital Goods as well as the inputs. For this purpose their premises are treated as PRIVATE BONDED WAREHOUSES and issued with a PRIVATE BONDED WAREHOUSE LICENCE under Section 58 of the Customs Act 1962 where their non-duty paid goods are allowed to be stored. These non duty paid inputs are in turn allowed to be used in the manufacture of exportable goods or provision of services for purpose of which they are issued IN-BOND MANUFACTURING SANCTION ORDER under section 65 of the Customs Act 1962.

The premises that are presently bonded under the provisions of Section 58 the Customs Act are: Warehouse situated at Ground, 1st , 2nd, 3rd and 4th floors, Type II, No.5, Dr. Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai 600041 which has been bonded vide Private Bonded Warehouse License No. E-232 dated October 29, 2007 bearing Ref.No.S4/414/2000-Bonds (EOU) which is valid upto. March 25, 2010.

Further, the Company has been granted permission by the Assistant Commissioner of Customs (Bonds), Chennai under Section 65 of the Customs Act, 1962 for carrying on operations relating to Software Testing and Allied Services and export the same from the bonded warehouses vide and In Bond Manufacture Sanction Order dated October 29, 2007 bearing License No.E-232, File No. S4/414/2000-Bonds(EOU) having a validity of upto March 25, 2010.

The Company has de-bonded its premises situated at 40, Bazalluh Road, T. Nagar, Chennai vide Letter dated July 5, 2008 bearing Ref. No. STPIC/G514/2008-09/432 addressed by the Director, STPI to the Company. The Superintendent of Customs (Bonds – EOU) has issued a No-Objection Certificate dated July 1, 2008 bearing Ref. No. S4/414/04-Bonds (EOU) for de-bonding the said premises and also stating that there are no imported/CT3 – capital/indigenous goods available in that specified area.

The Company has vide letter bearing Ref.TGS/AD/Customs/0809/030 dated March 18, 2009 requested the Assistant Commissioner, Customs (Bonds Dept.), Chennai to issue `No Goods Certificate` as they have shifted all the bonded capital goods to their bonded premises situated at Unit – 5, Type-II, Dr.VSI Estate, Thiruvanmiyur, Chennai and desire to de-bond their premises at 1st and 2nd Floors, SPIC House, No.88, Mount Road, Guindy, Chennai. The office of the Commissioner of Customs, Chennai has accorded its no objection vide its letter bearing F.No.S.Misc/55/08/EOU-

Bonds dated March 19, 2009 for de-bonding the said premises stating that there are no bonded goods available in such premises.

Further, the Company has obtained no objection for de-bonding 1st and 2nd Floors, SPIC House, 88 Mount Road, Guindy, Chennai from the office of the Software Technology Parks of India as evidenced by their letter bearing Ref. No. STPIC/G514/2008-09/1473 dated March 24, 2009. Pursuant to the permission obtained from the office of the Software Technology Parks of India, the office of the Commissioner of Customs have, w.e.f. April 2, 2009, de-bonded 1st and 2nd Floors, SPIC House, 88 Mount Road, Guindy, Chennai by making necessary endorsements in the In Bond Manufacture Sanction Order dated October 29, 2007 bearing License No. E-232 and Private Bonded Warehouse License bearing License No. E-232.

The Company has executed a General Bond in favour of the President of India for a sum of Rs. 50,00,000/-. The said bond has been renewed upto December 31, 2009. Further, pursuant to the said Bond, the Lakshmi Vilas Bank has executed the bank guarantee in favour of the President of India for a sum of Rs.2,50,000/- upon request by the Company. The said guarantee has been renewed upto June 30, 2010 vide letter dated June 27, 2008 addressed to the President of India, Deputy Commissioner of Customs by the Lakshmi Vilas Bank.

Capital Goods

The Director, STPI approved procurement of capital goods to a tune of Rs. 76,00,000/- vide Letter bearing No. STPIC/IMSC/2004-05/1480 dated March 26, 2005. The Company has now submitted a list of indigenous purchase valued at Rs. 22,00,000/- With this the attested capital goods list stands at Rs. 22,00,000/- as can be seen from the Letter bearing Ref. No. STPIC/G514/2005-06/1738 dated March 1, 2006 addressed to the Deputy Commissioner of Customs (Bonds) by the Director, STPI.

The Company has obtained approval for import of capital goods to a tune of Rs. 446 lakhs vide letter dated March 26, 2005 bearing reference No. STPIC/IMSC/2004-05/1480. Out of Rs.446 lakhs, the list attestation was done upto Rs. 125 lakhs vide letter dated February 24, 2006 bearing reference No. STPIC/G514/2005-06/1716.

The Company has submitted the list of capital goods to a tune of Rs. 200 lakhs of which the list stands attested at Rs. 325 lakhs as can be seen from the letter dated November 21, 2007 bearing reference No. STPIC/G514/2007-08/1084.

The Company has submitted the list of capital goods to a tune of Rs. 74 lakhs upon which the list stands attested at Rs. 399 lakhs as can be seen from the letter dated March 26, 2008 bearing reference No. STPIC/G514/2007-08/1639.

Import Approval

The Company has received approval from the Director, Software Technology Parks of India for import of Laptops worth USD 6,425/- vide letter bearing Ref. No. STPIC/Import/23072008/0013/4476 dated July 23, 2008.

MEPZ-SEZ

The Office of the Development Commissioner, MEPZ-SEZ & HEOU's in Tamil Nadu, Pondicherry, Andaman & Nicobar Island in their approval letter dated December 11, 2007 to the Company has extended the facilities and entitlements admissible to a unit in a SEZ to the Company subject to the fulfillment of the following terms and conditions:

(i) The Company shall export the goods manufactured as per the provisions of the SEZ Act, 2005 and Rules made there-under for a period of five years from the date of the commencement of the production activities. The Company has to execute a bond-cum-legal undertaking as prescribed under the SEZ Rules, 2006.

(ii) The Company has to fulfill the pollution control requirements as may be prescribed by the pollution control authorities.

(iii) The Company shall achieve positive Net Foreign Exchange as prescribed in the SEZ Rules, 2006 for the period it operates as a unit in the SEZ from the commencement of the production, failing which the Company shall be liable for penal action under the Foreign Trade (Development and Regulation) Act, 1992.

(iv) The Company may import or procure from the Domestic Tariff Area all the items required for the authorised operations, except those prohibited under the ITC (HS) Classifications of Export and Import items.

(v) The Company may supply/sell goods or services in the Domestic Tariff Area in terms of the provisions of the Special Economic Zones Act, 2005 and rules and orders made there under.

(vi) The letter of approval is valid for one year from the date of its issue and the project should be implemented and commence production within a year or any such period as may be extended.

(vii) Date of commencement of production shall be intimated to the Development Commissioner.This letter of approval shall be valid for a period of five years from the date of commencement of production.

(viii) Approval is based on the details furnished by the Company.

(ix) The Company shall abide by the provisions of the SEZ Act, 2005 and the rules and orders made thereunder.

(x) The Company has the option to renew the approval or exit in accordance to the terms of the SEZ Act, 2005.

(xi) The acceptance of the terms has to be communicated to the Development Commissioner within forty five days of issue of the letter of approval.

(xii) If the Company fails to comply with the conditions stipulated above, the letter of approval shall be cancelled as per the provisions of the SEZ ACT, 2005 and the rules and orders made there under. All correspondence has to be addressed to the Development Commissioner.

The above letter of approval was valid upto December 10, 2008. The same was extended for another six (6) months from December 11, 2008 to June 10, 2009 as evidenced by the extension letter bearing Ref. No. 8/119/2008/SEZ dated December 16, 2008 issued by the Assistant Development Commissioner, MPEZ-SEZ. The same has further been extended for a period of six months from June 11, 2009 to December 12, 2009 vide letter bearing Ref. No. 8/119/2008/SEZ dated May 27, 2009 issued by the Assistant Development Commissioner, MEPZ Special Economic Zone and HEOUs in Tamil Nadu, Pondicherry, Andaman and Nicobar Island.

The Company in its letter dated August 22, 2008 has requested the Development Commissioner, MEPZ SEZ for an allotment of plot at MEPZ-SEZ. The MEPZ, vide letter dated November 11, 2008 bearing reference no 2/LA/283/2008-E.M issued by the Asst Development Commissioner, has allotted on a temporary basis, Plot No.B-17, 2nd Main Road, Phase-II, MEPZ-SEZ, Tambaram area of the MEPZ SEZ. The area of the plot is 4,043 sq.mtrs.

The rental payable for the Plot is Rs.75/- per sq.mtr per annum and the quarterly rent shall be Rs. 75,806/-.

The allotment is subject to the following conditions:

Communication of unconditional acceptance of the allotment order	Within 15 days of letter. Upon, failure to communicate acceptance, the allotment shall stand automatically cancelled.
Payment of 100% of the amount payable for the Plot along with security deposit and 3 months advance rent	Within 45 days of allotment order. Upon, failure to comply, the allotment shall stand automatically cancelled.
Execution and registration of the lease deed in respect of the Plot	Within 90 days of allotment order. Upon failure to comply, the allotment shall stand cancelled and security deposit shall be forfeited.
Take possession of built up space from MEPZ	Within 30 days of allotment order.
Execute water supply agreement	On taking possession and payment of Rs.3,000 towards water connection
Payment of quarterly lease rent	Before the end of the first month of the quarter, failing which, interest will be charged at 12% p.a.
Commencement of trial/ commercial production	Within 6 months of allotment order. Upon failure to comply, the allotment shall stand cancelled and security deposit shall be forfeited.

Further, upon acceptance of the allotment the Company is required to furnish a declaration that it agrees to the cancellation of the allotment upon non-payment of rentals on time; violation of any provisions/ conditions of the lease deed, violation of the Foreign Trade Development and Regulation Act, 1992, the Customs Act, 1962

The Company has vide letter dated November 12, 2008 conveyed to the Development Commissioner, MEPZ SEZ, its unconditional acceptance of the allotment order. The said letter also affirms that the Company has complied with (i) payment of 100% of the amount payable for the Plot and advance rent for one quarter; (ii) takeover of possession of built up space from MEPZ; and (iii) payment of the lease rent for the first quarter. The Company has also noted to comply with the execution of the lease deed, water supply agreement and such other commitments as required. The Company has also furnished the duly executed declaration as required.

The Company has entered into Licence-cum-Agreement to Lease on January 22, 2009 with Development Commissioner and the said document was duly registered under registration no.1347/09 on March 12, 2009.

In relation to the MEPZ SEZ the Company has obtained the following operation related approvals/ documentation-

1. The Company has obtained permanent electricity connection as evidenced by receipt bearing No. 2550408310 dated April 27, 2009 issued by the Tamil Nadu Electricity Board, Chennai.

2. The Company has obtained certain exemptions which inter alia includes customs duty, excise duty and certain tax benefits as evidenced by the letter bearing Ref. No. 8/554/2003/SEZ dated March 19, 2009.

3. The Company has obtained membership with Madras Export Processing Zone Manufacturer's Association as evidenced by the receipt dated March 12, 2009 issued by the said Madras Export Processing Zone Manufacturer's Association.

4. The Company has executed a Bond-Cum-Legal Undertaking for Special Economic Zone Unit dated October 29, 2008 in favour of the President of India through the Development Commissioner of MEPZ Special Economic Zone and the Specified Officer.

5. The Company is a member of the Export Promotion Council for EOUs & SEZs having membership number 0402310871 as evidenced by the Membership Certificate issued by the Director General, EPC for EOUs and SEZs, Ministry of Commerce & Industry, Government of India, New Delhi.

6. The Company has obtained no objection for constructing building on Plot No.B-17, Phase II from the Joint Development Commissioner, MEPZ Special Economic Zone, Chennai vide letter dated June 15, 2009 bearing reference no.2/LA/283/2008-E.M.

It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

Proposed project

Approvals material to the proposed expansion plans which are yet to be made

Among others, in relation to the implementation of the Company's project, the following permissions and/or registrations would be required under applicable legislations or authorities:

Building related approvals-

1. Licenses/approvals from the concerned municipal authorities and/or local authorities for establishment of the development facility at MEPZ-SEZ including but not limited to building sanction plan; In this regard, an

application for seeking sanction for the building plan has been made to the Chennai Metropolitan Development Authority and the same was acknowledged by Chennai Metropolitan Development Authority on December 5, 2008;

2. Sanction from the respective authorities for utilities (other than electricity for which approval has been obtained by the Company).

Intellectual property rights

(i) Trademarks:

The Company has made the following application to trademark registry:

Sl. No.	Name of Trademark	Trademark/ Application No. and Class	Specification of Trade/Trades in respect of which used	Date of Application/Registration	Status
1.	Thinksoft Financial Software Testing Specialist	Trademark Application No: 1685573 Class: 42	Computer programming service	May 09, 2008	Pending

The grant of registration of trademark by the Registrar of Trademarks is subject to the procedure and process as stipulated by the Trademarks Act, 1999.

SECTION VII - REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Authority from the Company and Selling shareholders:

The Board of Directors has, pursuant to resolution passed at its meeting held on September 12, 2008, authorised the Issue subject to the approval by the shareholders of the Company under section 81(1A) of the Companies Act, 1956.

The shareholders of the Company have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra Ordinary General Meeting of the Company held on September 17, 2008 at the Registered Office of the Company.

M/s. Euro Indo Investments has vide board resolution dated September 20, 2008 has Offered for Sale 22,34,500 Equity Shares in the Proposed Public Issue of the Company.

Mr. Vinod Ganjoor vide letter dated September 25, 2008 has offered for sale 61,500 Equity Shares in the Proposed Public Issue of the Company.

Prohibition by the SEBI

The Company, the Selling Shareholders, the Directors, the Promoter, the Directors, and the companies in which the Directors are directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by the SEBI.

None of the Company, its subsidiaries, the Selling Shareholders, its Promoters, its Directors, and the companies in which the Directors are directors, has been declared as a willful defaulter by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Eligibility for the Issue

In terms of the Clause 2.2.1 of the SEBI (DIP) Guidelines, 2000 an unlisted company may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets all the following conditions:

a) The company has a pre-issue net worth of at least Rs. 100 lakhs in each of the Preceding 3 full years (of 12 months each)

(b) The company has net tangible assets of at least Rs. 300 lakhs in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets;

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

(c) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;

(d) There has been no change in the name of the company in the last one year. (On conversion into a public limited company the word "private" was dropped from the name of the Company with effect from August 19, 2008).

(e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue net-worth as per the audited balance sheet of the last financial year and is compliant with clause 2.2.1(e) of the SEBI (DIP) Guidelines.

In terms of the certificate issued by M/s. PKF Sridhar & Santhanam, Chartered Accountants, dated August 11, 2009, the Company satisfies the above eligibility criteria (as derived from the unconsolidated restated financial statements) as follows:

(Rs. in lakhs)

Particulars	**As on 31.03.09**	**As on 31.03.08**	**As on 31.03.07**	**As on 31.03.06**	**As on 31.03.05**
Net Assets	4369.78	3031.05	2113.62	1454.67	1166.91
Less Intangible assets(Software)	34.77	35.93	2.30	7.63	18.94
Net Tangible Assets (1)	4335.01	2995.12	2111.32	1447.04	1147.97
Monetary Assets(2)	2111.97	994.42	521.21	253.88	475.75
Monetary Assets as a % of net tangible assets	48.71%	33.20%	24.69%	17.54%	41.44%
Distributable Profits (3)	1387.91	934.07	807.55	368.35	70.98
Net-worth (4)	4369.78	3031.05	2113.62	1454.67	1166.91

Notes:

1) Net tangible assets is defined as the sum of all fixed assets (including capital work in progress) investments, current assets less current liabilities and provisions and unsecured loans, excluding 'intangible assets', as defined in accounting standard 26 issued by the Institute of Chartered Accountants of India.

2) Monetary Assets include cash on hand and bank

3) The Distributable profits of the Company is as per Section 205 of the Companies Act, 1956 and has been calculated from the audited financial statements of the respective year before making adjustments for restatement of financial statements. Depreciation rates adopted by the Company are

higher than those prescribed in Schedule XIV of the Companies Act, 1956 and no adjustment for the excess depreciation charged has been made while calculating the distributable profits.

4) Net worth has been defined as aggregate of equity share capital and reserves, after deducting miscellaneous expenditures.

5) The Company has not made any public issue of its equity shares till date.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of allottees, i.e. persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000;

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 16, 2009 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM

ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE.

8. WHERE THE REQUIREMENT OF PROMOTER CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTER CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) – NOT APPLICABLE.

9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

10. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.

11. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTER, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE – NOT APPLICABLE

12. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

THE BOOK RUNNING LEAD MANAGERS, SELLING SHAREHOLDERS AND THE COMPANY ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT RED HERRING PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

Disclaimer from the Company, the Selling Shareholders and the BRLMs.

The Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by the Company or at the instigation of the above mentioned entities and anyone placing reliance on any other source of information, including the Company's website www.thinksoftglobal.com, would be doing so at his or her own risk.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLMs, the Company and the Selling Shareholders on September 25, 2008 and the Underwriting Agreement dated [●] entered into among the Underwriters, the Company and the Selling Shareholders.

All information shall be made available by the Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Selling Shareholders nor Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible Non-Resident Indians and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chennai, Tamil Nadu, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus has been filed with the SEBI for its observations and the SEBI has given its observations and the Red Herring Prospectus has been filed with the RoC. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the United States Securities Act, 1933 or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act, 1933. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the United States Securities Act, 1933 and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such

jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act, 1933.

Disclaimer Clause of the BSE

As required, a copy of the Red Herring Prospectus has been submitted to the BSE. The BSE has by its letter dated June 12, 2009 given permission to the Company to use the BSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. The BSE has scrutinised the offer document for its limited internal purpose of deciding whether to grant such permission to the Company. The BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document ; or

(ii) warrant that the Company's securities will be listed or will continue to be listed on the Exchange ; or

(iii) take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for, or otherwise acquires, any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref:NSE/LIST/110268-F dated June 11, 2009 permission to the Issuer to use the NSE's name in this offer document as one of the stock exchanges on which the Issuer securities are proposed to be listed. The Exchange has scrutinised this Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document ; nor does it warrant that the Issuer`s securities will be listed or will continue to be listed on the Exchange nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

IPO Grading

The Company has appointed ICRA Limited for IPO grading. ICRA has assigned a "IPO Grade 2" to the proposed Initial Public Offering-cum Offer for Sale of the Company. "IPO Grade 2" indicates below average fundamentals. ICRA assigns IPO grades on a scale of Grade 5 to 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. ICRA has assigned the grade vide their letter dated, August 17, 2009.

Disclaimer of IPO Grading Agency: notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited or recommendation to buy, sell or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA are provided on as "as is" basis, without representations and warranties of any nature.

Filing

A copy of the Draft Red Herring Prospectus dated 14 March, 2009 has been filed with the SEBI at the D' Monte Building, 3rd Floor, 32 D' Monte Colony, TTK Road, Alwarpet, Chennai - 600018. A copy of the Draft Red Herring Prospectus was also filed with the SEBI at Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus, alongwith the other documents required, to be filed under section 60 of the Companies Act will be delivered for registration to the RoC, Tamil Nadu, Chennai, Andaman & Nicobar Islands at the address given below:

Block No.6, B-Wing,
2nd Floor, Shastry Bhavan,
26, Haddows Road,
Chennai – 600 034

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by BSE and NSE, and the Company and the Selling Shareholders shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the Company and the Selling Shareholders have become liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section(1) of the Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) Makes in a fictitious name, an application to the Company for acquiring or subscribing for, any shares therein, or
(b) Otherwise induces a Company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name

shall be punishable with imprisonment for a term which may extend to five years"

Consents

Consents in writing of: (a) the Selling Shareholders, the Directors, the Company Secretary & Compliance Officer, the Auditors, the Bankers to the Company and the Bankers to the Issue; and (b) the BRLMs the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus and Red Herring Prospectus with the RoC as required under sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Guidelines, M/s. PKF Sridhar & Santhanam, Chartered Accountants, have given their written consent to the inclusion of their reports in the form and context in which it appears in this Red Herring

Prospectus and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with the RoC.

M/s. PKF Sridhar & Santhanam, Chartered Accountants, have given their written consent to the possible tax benefits accruing to the Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Prospectus to the RoC.

ICRA Limited, a SEBI registered credit rating agency has given its written consent to for inclusion of its grading of the Issue in the Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the Registrar of Companies, Tamilnadu, Chennai, Andaman & Nicobar Islands.

Expert Opinion

Except the report of ICRA Limited in respect of the IPO Grading of this Issue annexed herewith and except as stated in this Red Herring Prospectus, the Company has not obtained any expert opinions.

Expenses of the Issue

All expenses with respect to the Issue, will be shared between the Company and the Selling Shareholders, who have offered their Equity Shares for sale in the Offer for Sale, on a pro-rata basis in the ratio of the Equity Shares issued by the Company in the Fresh Issue and the Equity Shares being sold by the Selling Shareholders in the Offer for Sale. The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately Rs. **[•]** lakhs of which Rs. **[•]** lakhs will be borne by the Company and Rs. **[•]** lakhs will be borne by the Selling Shareholders. The estimated expenses of the Issue are as follows:

Activity	**Amount (Rs. In lakhs)**	**% of Issue Expenses**	**% of Issue Size**
Lead Management, Underwriting and Selling Commission	[•]	[•]	[•]
Advertisement and Marketing Expenses	[•]	[•]	[•]
Printing and Stationery	[•]	[•]	[•]
Others (Registrars fees, IPO Grading expenses, Legal fees, listing fees etc.,)	[•]	[•]	[•]
Total	**[•]**	**[•]**	**[•]**

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission and selling commission and reimbursement of their out of pocket expenses) will be as per the engagement letters, copies of which are available for inspection at the Company's principal business office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for the processing of applications, data entry, printing of CAN/refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the memorandum of understanding between the Company, the Selling Shareholders and the Registrar to the Issue dated September 24, 2008, a copy of which is available for inspection at the Company's principal business office.

The Registrar to the Issue will be reimbursed all out-of-pocket expenses incurred by it including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice in the manner described in this Red Herring Prospectus by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five years

The Company has not made any previous public or rights issues in India or abroad during the last five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for Cash

Except as stated in the section entitled "Capital Structure" on page 25 of this Red Herring Prospectus and "History and Corporate Matters" on page 119 of this Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than cash.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

Since this is an Initial Public Offering of Equity Shares of the Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Companies under the Same Management

Except as disclosed in this Red Herring Prospectus, no company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public Issue (including any rights issues to the public) during the last three years. For details, see the section "Promoters and Promoter Group Companies" beginning on page 149 of this Red Herring Prospectus.

Promise vis à-vis Performance

Neither the Company nor any Promoter Group or associate company has made any previous rights or public issues.

Outstanding Debentures or Bonds or Redeemable Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data for the Equity Shares

This being an initial public offering of the Company, the Equity Shares are not listed on any stock exchange.

Purchase of Property

Except as stated in "Objects of the Issue" on page 39 there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the issue contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Except as stated in this Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made there-under.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for the period as required to maintain records under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 from the last date of dispatch of letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

The Company estimates that the average time required by them or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has constituted an Investor Grievance Committee and also appointed Ms. S. Akila as the Compliance Officer for this Issue and she may be contacted at :-

Thinksoft Global Services Limited
Type II, No.5, Dr. Vikram Sarabhai Instronics Estate,

Thiruvanmiyur,
Chennai-600 041
Tel. No: 91 44 4392 3200
Fax No: 91 44 4392 3258
E-mail: ipo@thinksoftglobal.com

The investors are requested to contact the above-mentioned Compliance Officer in case of any Pre-issue related clarification. In case of Post-Issue related problems such as non-receipt of letters of allotment/share certificates/credit of securities in depositories beneficiary account/refund orders etc., Investors may contact Compliance Officer or Registrar to the Issue.

Change in Auditors

M/s. S R Batliboi & Associates, Chartered Accountants were the statutory auditors of the Company upto FY 2007. M/s. S R Batliboi & Associates have expressed their inability to continue as Statutory Auditors of the Company, consequent upon which the Company has appointed M/s. PKF Sridhar & Santhanam, Chartered Accountants as Statutory Auditors of the Company with effect from January 14, 2008.

Capitalization of Reserves or Profits

The Company has not capitalised any reserves or profits during the last five years, except bonus shares issued as stated in the section titled "Capital Structure" starting from page 25 of this Red Herring Prospectus.

Revaluation of Assets

There has been no revaluation of the Company's assets since its incorporation.

Payment or Benefit to Officers of the Company

Except for statutory benefits available upon termination of their employment in the Company or superannuation, no officer of the Company (except Mr.Asvini Kumar A.V. & Mrs. Vanaja Arvind who will be entitled to severance pay of Rs.100 lakhs on termination) is entitled to any benefit upon termination of his employment in the Company or superannuation.

SECTION VIII - ISSUE INFORMATION

A. TERMS OF THE ISSUE

Principal Terms and Conditions of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Application Supported by Blocked Amounts, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, the Reserve Bank of India and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

Authority from the Company and Selling Shareholders

The Board of Directors has, pursuant to resolution passed at its meeting held on September 12, 2008, authorised the Issue subject to the approval by the shareholders of the Company under section 81(1A) of the Companies Act.

The shareholders of the Company have authorised the Issue by a special resolution in accordance with section 81(1A) of the Companies Act, passed at the extra ordinary general meeting of the Company held on September 17, 2008 at the Registered Office of the Company.

M/s. Euro Indo Investments has vide board resolution dated September 20, 2008 has Offered for Sale 22,34,500 Equity Shares in the Proposed Public Issue of the Company.

Mr. Vinod Ganjoor vide letter dated September 25, 2008 has offered for sale 61,500 Equity Shares in the Proposed Public Issue of the of the Company.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act and the Memorandum and the Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares, including rights in respect of dividends. The allottees will be entitled to dividend, voting rights of any other corporate benefits, if any, declared by the Company after the date of allotment. For further details, see the section "Main Provisions of the Articles of Association" beginning on page 363 of this Red Herring Prospectus.

Mode of payment of Dividend

The Company shall pay dividend to the shareholders as per the provisions of the Companies Act, 1956 and its Articles of Association.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

The Company shall comply with applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Act and the Memorandum and Articles of Association of the Company.

For further details on the main provisions of the Company's Articles of Association dealing with, voting rights, dividend, forfeiture and lien, transfer and transmission, see the section titled "Main Provisions of the Articles of Association" on page 363 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI Guidelines, trading in Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of 50 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Chennai, Tamil Nadu, India.

Nomination Facility to Investor

In the nature of the rights specified in Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall have the same rights to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/ alienation of Equity Share(s) by the Person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Head Office of the Company or at the Registrar and Transfer Agents of the Company.

In the nature of the rights stated in Section 109B of the Companies Act, any person who becomes a nominee in the manner stated above, shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount (i.e. from the date of refusal or within 10 weeks from the Bid/Issue Closing Date, whichever is earlier), the Company shall pay interest as prescribed under Section 73 of the Companies Act.

In case of under-subscription in the issue, the equity shares in the Fresh Issue will be issued prior to the sale of Equity shares in the Offer for Sale. Any expense incurred by the Company on behalf of the Selling Shareholders with respect to refunds, interest for delays etc for the equity shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholders to the Company.

Further in terms of Clause 2.2.2A of the SEBI (DIP) Guidelines, the Company shall ensure that the number of allottees in this Issue shall not be less than 1000 in numbers; else the Company shall not make an allotment pursuant to this Issue.

The requirement of minimum subscription is not applicable to the Offer for Sale.

Arrangements for Disposal of Odd Lots

The Company's Equity Shares will be traded in dematerialized form only and therefore the tradable lot is one share. Therefore there is no possibility of odd lots.

Restriction on Transfer and Transmission of Shares

The shares being offered by way of Offer for Sale, shall be subject to the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The transfer of shares by a Non Resident (i.e. NRI, incorporated non-resident entity, erstwhile OCB, foreign national, FII) to an Indian Resident shall be in accordance with the RBI Circular dated October 4, 2004 bearing reference No A.P. (DIR Series) Circular No. 16. By the said RBI Circular dated October 4, 2004 the Indian Government has dispensed with the requirement of obtaining prior approval of the Government (FIPB) and the RBI in respect of transfer of shares by way of sale from non- residents to residents subject to the conditions and reporting requirements contained therein.

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to the section titled "Main Provisions of Articles of Association of the Company" starting from page 363 of this Red Herring Prospectus.

Subscription by NRIs/ FIIs/Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs and all NRI, FIIs registered with SEBI applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. This information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLMs are not liable to inform the

investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

B. ISSUE STRUCTURE

Issue of 36,46,000 Equity Shares of a face value of Rs. 10/- each, comprising of a Fresh Issue of 13,50,000 Equity Shares and an Offer for Sale of 22,96,000 Equity Shares each by the Selling Shareholders for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] lakhs. The Issue will constitute up to 36.27% of the fully diluted post-Issue paid up capital of the Company. The Issue is being made through the 100% Book Building Process.

Particulars	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 18,23,000 Equity Shares.	Upto 5,46,900 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders.	Upto 12,76,100 Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for Allocation	Upto 50% of the Issue. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allocation if Respective Category is Oversubscribed	Proportionate as follows: (a) Equity Shares constituting 5% of the QIB portion shall be allocated on a proportionate basis to Mutual Funds (b) The balance Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares that	Such number of Equity Shares that	50 Equity Shares and in multiples of

	the Bid Amount exceeds Rs. 100,000 and in multiples of 50 Equity Shares.	the Bid Amount exceeds Rs. 100,000 and in multiples of 50 Equity Shares.	50 Equity shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid/ Allotment lot	50 Equity Shares and in multiples on 50 Equity Shares	50 Equity Shares and in multiples on 50 Equity Shares	50 Equity Shares and in multiples on 50 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Public financial institution as defined in section 4A of the Companies Act, 1956, scheduled commercial banks, mutual funds, foreign institutional investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;Multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance	Resident Indian individuals, NRIs, HUF (in the name of Karta), companies, bodies' corporate, scientific institutions societies and trusts.	Individuals, including NRIs and HUF (in the name of Karta), such that the Bid Amount does not exceed Rs. 100,000.

	companies registered with the Insurance Regulatory and Development Authority (IRDA), provident funds with minimum corpus of Rs. 2,500 lakhs, pension funds with minimum corpus of Rs. 2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.		
Terms of Payment***	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non - Institutional Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate or the Application Supported by Blocked Amount to the SCSBs..
Margin Amount	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

#The QIB portion includes Anchor Investor Portion, as per the SEBI Guidelines. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.

* Subject to valid Bids being received at or above the Issue Price. The Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the Issue in the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds. The remainder shall be available for allotment on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 15%

of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand from Mutual Funds is less than 91,150 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Under-subscription, if any, in any category would be met with spill-over from other categories in the sole discretion of the Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

** In case the Bid cum Application Form or the Application Supported by Blocked Amount is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form or the Application Supported by Blocked Amount.

*** Incase of ASBA bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA bidder that are specified in the Bid cum ASBA Form.

After the bid/issue closing date, depending on the level of subscription, additional margin amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

The Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time including after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Program

BID/ISSUE OPENS ON	**Tuesday, September 22, 2009**
BID/ISSUE CLOSES ON	**Thursday, September 24, 2009**

The Company may consider participation by Anchor Investor in terms of the SEBI Guidelines. The Anchor Investor Bid/Issue period shall be one day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids shall be accepted only between **10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 pm** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (iii) 5.00 p.m. in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 1,00,000 (which may be extended from time to time by the Stock Exchanges at the request of the Book Runners). Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the Book Runners and the Syndicate Members shall not be responsible. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

The Company and the Selling Shareholders reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines, provided that the cap of the Price Band is always equal to or less than 20% of the floor of the Price Band. The floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the Book Runners and at the terminals of the other members of the Syndicate.

C. ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process up to 50% of the Issue to Public shall be available for allocation on a proportionate basis to QIBs, including up to 5% of the QIB Portion shall be available for allocation to Mutual Funds and the remainder of the Qualified Institutional Buyers portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue price. Further, not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. ASBA Investors intending to subscribe to the Issue, shall submit a completed ASBA form to a Self Certified Syndicate Bank (SCSB), with whom the bank account to be blocked, is maintained. QIB bids can be submitted only through the BRLMs. In case of QIB Bidders, the Company and Selling Shareholders in consultation with the BRLMs reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non Institutional Bidders and Retail Bidders, the Company and the Selling Shareholders will have a right to reject the Bids on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders in dematerialised form only. Bidders will not have the option of being allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. The Company, Selling Shareholders, the BRLM and Co-BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this RHP. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on the website of SEBI at www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer the above-mentioned SEBI website.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, The Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM/Co-BRLMs.

ASBA Form

ASBA Bidders shall use the ASBA Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA form which shall be at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA form shall be considered as the Application Form. Upon completing and submitting the ASBA form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

In accordance with the SEBI Guidelines, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of the Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter. The ASBA Bidder should ensure that maximum Amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000. The ASBA Bidders shall bid only at the Cutoff Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- The BRLM and Co-BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA form and that the same are made available on the websites of the SCSBs.

- ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA form can obtain the same from the

Designated Branches of the SCSBs, or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA form in electronic form on the websites of the SCSBs.

- The Bids should be submitted on the prescribed ASBA form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

- ASBA forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB.

- ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

- ASBA Bidders shall correctly mention the bank account number in the ASBA form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch.

- If the ASBA Account holder is different from the ASBA Bidder, the ASBA form should be signed by the account holder as provided in the ASBA form.

- ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA form.

- ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

- ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Guidelines and Red Herring Prospectus.

- The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.

- Each ASBA form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

- Upon receipt of the ASBA form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA form, prior to uploading such Bids with the Stock Exchanges.

- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

- If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("TRS")

- The TRS shall be furnished to the ASBA Bidder on request.

- An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA form or a non-ASBA form after bidding on one ASBA form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be.

- Submission of a second ASBA form or a Non-ASBA form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA form cannot be revised.

Mode of Payment

Upon submission of an ASBA form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB. Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Guidelines, into the Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- In case of ASBA forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
- it has received the ASBA in a physical or electronic form; and
- it has blocked the application money in the ASBA account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.
- The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

    - **Name of the Bidder(s);**
    - **Application Number;**
    - **Permanent Account Number;**
    - **Number of Equity Shares Bid for;**
    - **Depository Participant identification No.; and**
    - **Client identification No. of the Bidders beneficiary account.**
    - **In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated.**
    - **The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).**

- **A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. It is the ASBA Bidders responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.**

- **Such TRS will be non-negotiable and by itself will not create any obligation of any kind.**

- **It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by** the Company, the Selling Shareholders, the BRLM, Co-BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of the Company, the management or any scheme or project of the Company.

- The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, the Company and the Selling shareholders would have a right to reject the Bids only on technical grounds.

- Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA forms shall be final and binding on all concerned.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by the Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment/allocation shall be made on the same date to all investors in this Issue; and (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) The Company will ensure that the Allotment/allocation of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the Public Issue Account on the Designated Date, to the extent applicable, the Company would ensure the credit of the Allotted/allocated Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment. (b) As per the SEBI Guidelines, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

b. Ensure that you use the ASBA form specified for the purposes of ASBA process.

c. Read all the instructions carefully and complete the ASBA form.

d. Ensure that your Bid is at the Cut-off Price.

e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA form

f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM or Co-BRLMs

h. Ensure that the ASBA form is signed by the account holder in case the applicant is not the account holder

i. Ensure that you have mentioned the correct bank account No. in the ASBA form.

j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in ASBA account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch of the SCSB.
k. Ensure that you have correctly checked the authorisation box in the ASBA form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA form in your ASBA Account maintained with a branch of the concerned SCSB.
l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA form.
m. Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
n. Ensure that the name(s) and PAN given in the ASBA form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA form.
o. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
b. Do not submit an ASBA Bid if you are applying under any reserved category.
c. Do not revise your Bid.
d. Do not Bid for lower than the minimum Bid size.
e. Do not Bid on another ASBA or Non-ASBA form after you have submitted
f. Bid to a Designated Branch of the SCSB.
g. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
h. Do not send your physical ASBA form by post; instead submit the same to Designated Branch of the SCSB only.
i. Do not fill up the ASBA form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.
j. Do not mention the GIR number instead of the PAN Number.
k. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- Made only in the prescribed ASBA form, if submitted in physical mode, or electronic mode.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA form.
- The Bids must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter subject that the Bid Amount does not exceed Rs. 1,00,000.
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidders depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT.S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME AND PAN GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM. ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant’s name and identification number and beneficiary account number provided by them in the ASBA form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, (”Demographic Details”). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company and the Selling Shareholders shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA form. Failing this, the Company and the Selling Shareholders in consultation with and BRLM/Co-BRLMs, reserves the right to reject such ASBA Bids. The Company and the Selling Shareholders, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA form, subject to such terms and conditions that we, in consultation with the BRLM/Co-BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account. In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, the Company and the Selling Shareholders would have a right to reject the ASBA Bids only on technical grounds. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA form does not match with one available in the depository database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

1. In addition to the grounds listed under Grounds for Technical Rejection. on page 348 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:
2. Amount mentioned in the ASBA form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Age of first Bidder not given;
5. Bid made by categories of investors other than Resident Retail Individual Investors;

6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. PAN not stated, or GIR number furnished instead of PAN.
8. Bids for number of Equity Shares, which are not in multiples of 50;
9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
10. Multiple Bids as defined in this Red Herring Prospectus;
11. In case of Bid under power of attorney, relevant documents are not submitted;
12. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
13. Signature of sole and/or joint Bidders missing in case of ASBA forms submitted in physical mode;
14. ASBA form does not have the stamp of the SCSB and/or a member of the Syndicate;
15. ASBA form does not have the Bidders depository account details;
16. ASBA form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA form and the Red Herring Prospectus;
17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA form at the time of blocking such Bid Amount in the ASBA Account;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), PAN, the DP ID and the beneficiary account number; and
19. If the ASBA Bid in the Issue is revised. Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number in which the amount equivalent to the Bid amount was blocked. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the Selling Shareholders, the BRLM, Co-BRLMs, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Guidelines. ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section *Issue Procedure- Basis of Allotment* on page no. 350 of this Red Herring Prospectus.

Bid cum Application Form

Bidders (except for the ASBA Investors) shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder (except for the ASBA Investors) is deemed to have authorised the Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Public or NRIs applying on a non-repatriation basis	White
Non-residents including NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institution applying on repatriation basis	Blue
ASBA Investors	Pink

The physical ASBA Bid cum Application Form shall be white in colour

In accordance with SEBI Guidelines, only Resident Retail Individual Investor can participate by way of ASBA Process

In accordance with SEBI Guidelines, only QIBs can participate in the Anchor Investor Portion.

Who Can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

2. ASBA Investors

3. Indian nationals resident in India who are majors or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);

4. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

5. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares;

6. Mutual Funds registered with SEBI;

7. Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws.

8. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);

9. FIIs registered with SEBI on a repatriation basis other than a sub-account which is a foreign corporate or foreign individual;

10. Venture Capital Funds registered with SEBI;

11. Foreign Venture Capital Investors registered with SEBI;

12. State Industrial Development Corporations;

13. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorized under their constitution to hold and invest in equity shares;

14. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

15. Insurance Companies registered with Insurance Regulatory and Development Authority, India;

16. As permitted under applicable laws, Provident Funds with minimum corpus of Rs. 2,500 lakhs and who are authorized under their constitution to hold and invest in equity shares;

17. Pension Funds with minimum corpus of Rs. 2,500 lakhs and who are authorized under their constitution to hold and invest in equity shares; and

18. Multilateral and Bilateral Development Financial Institutions.

19. National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.

As per the existing RBI Regulations, OCBs are prohibited from participating in this Issue.

Note: The BRLMs shall not be allowed to subscribe to this Issue in any manner expect towards fulfilling their underwriting obligations.

However, associates and affiliates of the BRLMs and Syndicate Members may subscribe to Equity Shares in the Issue either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The information below is given for the benefit of the Bidders. The Company, the Selling Shareholders and the BRLMs do not accept responsibility for the completeness and accuracy of the information stated. The Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus.

Bidders are advised to ensure that any single Bid from them does not exceed the investments limits or maximum number of Equity Shares that can be held by them under applicable laws, rules, regulations, guidelines and approvals.

Bids by Mutual Funds

Under the SEBI Guidelines, 5% of the QIB Portion has been specifically reserved for Mutual Funds. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 91,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made

Bids by Eligible NRIs

1. Individual NRI Bidders can obtain the Bid cum Application Forms from the Registered Office, members of the Syndicate or the Registrar to the Issue.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid

cum Application Form meant for resident Indians (White in colour). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:
The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue issued capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital in case such sub-account is a foreign corporate or an individual.

With the approval of the Board of Director and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100% in the Company. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

With effect from October 25, 2007, Foreign Institutional Investors ("FIIs") and their sub-accounts, registered with the SEBI, cannot issue offshore derivative instruments ("ODIs") and are required to unwind their positions in such instruments within 18 months from that date. FIIs and their sub-accounts are free to invest or trade in derivatives directly on recognized Indian stock exchanges only. Further, FIIs are allowed to issue participatory notes ("PNs") only in the cash segment and not linked to underlying derivatives, up to 40% of their assets under custody ("AUC"). The reference date for calculating the AUC will be September 30, 2007, and the basis of calculating the AUC will be the filing made by the FII with its custodian as on September 30, 2007. FIIs that have issued PNs not linked to underlying derivatives amounting to less than 40% of their AUC, can further issue such instruments at the rate of 5% on an incremental basis until they touch the 40% limit. FIIs that have already issued PNs exceeding 40% of their AUC can issue such instruments to the extent they cancel, redeem, or close their existing PNs. (Press Release No. 286/2007 dated October 25, 2007 issued by the SEBI).

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one foreign venture capital investor. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders: The Bid must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter, so as to ensure that the Bid Amount (provided revision of Bids if any) payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. Where the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders indicating their agreement to the Bid and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(b) For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and is a multiple of 50 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable laws. **Under the existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The Company, the Selling Shareholders and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in an English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of the Company is situated. This advertisement, subject to the provisions of Sec. 66 of the Companies Act shall be in the format prescribed in the SEBI Guidelines.

(c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(d) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the registered office or from any of the members of the Syndicate and should approach any of the BRLMs or the Syndicate Members or their authorized agent(s) to register their Bids.

(e) The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

(g) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and Bidding Issue Period will be publish the same in an English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of the Company is situated and the Bidding/ Issue Period may be extended, if required, for three additional days after revision of Price Band subject to the total Bidding/Issue Period not exceeding 10 working days.

(h) The Company and the Selling Shareholders in consultation with the BRLMs can finalise the Issue Price within the Price Band, without the prior approval of, or intimation , to the Bidders.

Method and Process of Bidding

(a) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" on page no. 331) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(b) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids" on page no. 338.

(c) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Transaction Registration Slips (TRSs) for each Bid cum Application Form.

(d) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(e) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph entitled "Terms of Payment and Payment into the Escrow Accounts" on page no. 333.

Bids at Different Price Levels

a) The Bidders can bid at any price within the Price Band, in multiples of 50 Equity Shares.

b) In accordance with SEBI Guidelines, the Company and the Selling Shareholders in consultation with the BRLMs reserves the right to revise the Price Band during the Bidding Period by informing the stock exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days. The Company, the Selling Shareholders in consultation with BRLMs, can finalize the issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

c) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

d) Retail Individual Bidders who bid at the Cut-Off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Escrow Account.

e) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.

f) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing Press Release and making available this information on the Bidding terminals.

g) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 50 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

h) In case of an upward revision in the Price Band announced as above, the Retail Individual Bidders, who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non Institutional category in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.

i) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

j) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed revision Form which is a part of the Bid cum Application Form.

k) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

l) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

m) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

n) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the BRLMs and/or their affiliates shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

o) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Option to Subscribe

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only. Bidders will not have any option of getting the Allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the Selling Shareholders have opened Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Accounts.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between the Company, the Selling Shareholders, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall pay the applicable Margin Amount, and shall, with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) (see "Payment Instructions" beginning on page no. 333 of this Red Herring Prospectus), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to a BRLMs. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account of the Company shall be transferred to the Refund Account. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Each category of Bidders, i.e. QIB Bidders, Non-Institutional Bidders, and Retail Individual Bidders, would be required to pay their applicable Margin Amount at the time of submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Information" beginning on page 305 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. QIB Bidders will be required to deposit a margin of at least 10% at the time of submitting their Bids.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

The Company, the Selling Shareholders and the BRLMs shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

The Company has opened Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

1. The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

2. Where the above Margin Amount paid by the Bidders during the Bid/Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days

from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - **In case of Resident QIB Bidders: "Escrow Account – Thinksoft IPO – QIB - R";**
    - **In case of Non-Resident QIB Bidders: "Escrow Account – Thinksoft IPO – QIB - NR";**
    - **In case of Resident Retail Individual Bidders: "Escrow Account – Thinksoft IPO - Retail - R"**
    - **In case of Non-Resident Retail Individual Bidders: "Escrow Account – Thinksoft IPO - Retail - NR"**
    - **In case of Resident Non-Institutional Bidders: "Escrow Account – Thinksoft IPO – Non-Institutional - R"**
    - **In case of Non-Resident Non-Institutional Bidders: "Escrow Account – Thinksoft IPO – Non-Institutional – NR"**

(d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

(e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

(f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder by the Refund Banker from the Refund Account.

(g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.

(h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue. Further, on the Designated Date, the Escrow Collection Banks shall transfer all amounts liable to be refunded to unsuccessful bidders and the excess amounts paid on Bidding to the Refund

Account held by the Refund Banker for the benefit of the Bidders entitled to a refund.

(i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Banker shall, from the Refund Account, refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any.

(j) Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted.

(k) Bidders are advised to mention the number of application form on the reverse of the cheque/ demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

(l) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stock invest

In terms of Reserve Bank of India Circular No DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity to each city where the Bids are accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Offer. This facility will be available on the terminals of the Syndicate Member and their authorized agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for bids registered on the electronic facilities of BSE and NSE will be uploaded on regular interval in accordance with SEBI guidelines and market practices, consolidated and displayed on-line at all the bidding centres during the bidding period. This information can be accessed on BSE's website at "www.bseindia.com" or on NSE's website at "www.nseindia.com"

(d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:

- Name of the investor (**Investors should ensure that the name given in the bid cum application form is exactly the same as the number in which the Depository Account is held. In case the Bid cum Application Form is submitted in Joint names, investors should ensure that the Depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)**
- Investor Category such as Individual, Corporate, FVCI, NRI, FII or Mutual Fund, QIBs etc.
- Numbers of Equity Shares bid for
- Bid Amount
- Bid-cum-Application Form number
- Whether payment is made upon submission of Bid-cum-Application Form
- Margin Amount and
- Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, members of the Syndicate have the right to accept the bid or reject the bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non Institutional Bidders and Retail Bidders Bids would not be rejected except on the technical grounds listed on page no. 348 in this Red Herring Prospectus.

(h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Selling Shareholders and BRLMs are cleared or approved by BSE and NSE ; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The Book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs applying on a repatriation basis for Bidders).

(d) Completed in full, in **BLOCK LETTERS** in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(e) For Retail Individual Bidders, the Bid must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares, thereafter subject to a maximum Bid Amount of Rs. 100,000.

(f) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of 50 Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(g) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 50 Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

(h) Bids by Non Residents, NRIs and FIIs and FVCIs registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

(i) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(j) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a

Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(k) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three (3) days, subject to the total bidding period not exceeding ten (10) working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band.

(l) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two (2) national newspapers (one each in English and Hindi) and one (1) in regional language.

(m) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(n) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(o) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(p) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of bid at the time of one or more revision by the QIB bidders.

(q) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid**.

(r) Only bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the Book Running

Lead Managers based on physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with the Company and the Selling Shareholders.

(b) The Company and the Selling Shareholders, in consultation with the BRLMs shall finalize the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful QIB Bidders.

(c) The allocation for QIBs up to 50% of the Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. The allocation to Non-Institutional Bidders and Retail Individual Bidders of, minimum of 15% of Issue and a minimum of 35% of the Issue, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Under subscription, if any, in any of the categories would be allowed to be met with spill over from any of the other categories at the discretion of the Company, the Selling Shareholders and BRLMs.

(e) Allocation to eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to the terms and conditions stipulated by RBI and applicable laws

(f) The BRLMs, in consultation with the Company, the Selling Shareholders shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) The Company and the Selling Shareholders reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the Selling Shareholders and the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, the Company and the Selling Shareholders would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

(c) The Company and the Selling Shareholders will file a copy of the Prospectus with the RoC, Tamilnadu, Chennai, Andaman & Nicobar Islands in terms of Section 56, Section 60, and Section 60B of the Companies Act.

(d) After filing of the Prospectus with the ROC, a statutory advertisement will be issued by the Company in a widely circulated English, Hindi and regional language newspapers with wide circulation in the place where the Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, the Company shall after receiving final observation, if any, on this Red Herring Prospectus with SEBI, publish an advertisement, in the form prescribed by the SEBI DIP guidelines in an English national daily with vide circulation, one hindi national newspaper and a regional language newspaper.

Advertisement Regarding Issue Price and Prospectus

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between this Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note (CAN)

After the determination of Issue Price, the following steps would be taken

(a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs, or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that the Bank shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.The BRLMs or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been allocated Equity Shares in the Issue.

(b) The BRLMs or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Offer subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

(d) The issuance of a CAN is subject to ''Allotment Reconciliation and Revised CANs'' as set out under the section entitled ''Terms of the Issue'' at page 305 of this Red Herring Prospectus.

Notice to QIB: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to September 30, 2009, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, on or prior to September 30, 2009 and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the Offer of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(1) The Company and the Selling Shareholders will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company and the Selling Shareholders would allot the Equity Shares to the Allottees. The Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the Allottees shall be completed within two working days of the date of finalization of the basis of Allotment. In case, the Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.

(2) In accordance with the SEBI DIP Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply;

(b) Ensure that your Bid is within the Price Band;

(c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) as the case may be;

(d) Ensure that DP account is activated;

(e) Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialised form only;

(f) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(g) Ensure that you have been given a TRS for all your Bid options;

(h) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS; and

(i) Each of the bidders should hold a valid Permanent Account Number allotted under the IT Act and mention his/her Permanent Account Number in the application form while bidding for this issue. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

(j) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(k) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

DON'Ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid Price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stock invest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the Bid accompanied with Stock invest; and

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

(j) Do not bid at Bid Amount exceeding Rs. 100,000, in case of Bid by a Retail Individual Bidder or ASBA Investor; and

(k) Do not submit the Bid without the QIB margin, in case of Bids by a QIB.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLMs or Syndicate Member.

Bidder's Depository Account details and Bank Account details

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither of the Company, the Selling Shareholders, the Registrar, Escrow Collection Bank(s), Bankers to the Issue and the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE

ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Selling Shareholders, the Registrar, Escrow Collection Bank(s) and the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

The Company and the Selling Shareholders in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

a. In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason there for.

b. In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

c. In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason there for.

d. In case of Bids made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

e. The Company and the Selling Shareholders in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company, and the BRLMs may deem fit.

f. The Company, in the absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address As per the Demographic details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as probable multiple master.
2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. The addresses of all these applications from the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.
4. The applications will be scanned for similar DP ID and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.
5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. On completion of this, the applications will be identified as multiple applications. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as

multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

6. The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

The Company and the Selling Shareholders reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Each of the Bidders should mention its PAN allotted under the I.T. Act, in the Bid-cum-Application Form. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir- 08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Rejection of Bids

The Company, the Selling Shareholders and the BRLMs reserve the right to reject any QIB Bid provided the rejection is at the time of receipt of Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of Bid. In case of Non-Institutional Bidders, Retail Individual Bidders, the Company, the Selling Shareholders and the BRLMs have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the bidder's address at the bidders' risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- Amount paid doesn't tally with the highest number of Equity Shares Bid for;
- Age of First Bidder not given;
- Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
- PAN No. is not given;

- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at cut-off price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of 50;
- Category not ticked;
- Multiple bids as defined in this Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stock invest/ money order/postal order/cash;
- Signature of sole and / or joint bidders missing;
- Bid-cum-Application Form does not have the stamp of the BRLMs or Syndicate Member;
- Bid-cum-Application Form does not have Bidder's depository account details;
- In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), depository participant identification number and beneficiary account number;
- Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids by OCBs; and
- Bid by U.S. residents or U.S persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.
- Bids by persons who are not eligible to acquire Equity Shares of the Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bids by NRIs not disclosing their residential status.

- Bids not uploaded in the Book

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority

- Bids where clear funds are not available in Escrow Accounts as per the final certificate from the Escrow Collection Banks

- Bids from Corporate in the retail category.

Basis of Allotment or Allocation

For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Offer Size Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 12,76,100 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.

- If the aggregate demand in this category is greater than 12,76,100 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 5,46,900 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 5,46,900 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a Equity Shares. For the method of proportionate basis of allotment refer below.

For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

  - The aggregate allotment to QIB Bidders shall be upto 18,23,000 Equity Shares.

  - Allotment reconciliation and revised CANs: After the Bid/Issue Closing Date, based on the electronic book, QIBs will be sent a CAN on or prior to September 30. 2009 indicating the number of Equity Shares that may be allotted to them. The CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the book prepared based on Bid cum Application Forms received by the Registrar. Subject to SEBI Guidelines, certain Bid cum Application Forms may be rejected due to technical reasons; non-receipt of funds, cancellation or bouncing of cheques etc. and these rejected Bid cum Application Forms will be reflected in the reconciliation and basis of Allotment as approved by the

Designated Stock Exchange. As a result, a revised CAN may be sent to the QIBs which may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares to them. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issuance of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares Allotted to such QIB. The revised CAN, if issued, will supersede in entirety to the earlier CAN.

Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions

In the event of the Issue being over-subscribed, the Basis of Allotment shall be finalized by the Company and the Selling Shareholders in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- Bidders will be categorized according to the number of Equity Shares applied for.

- The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

- Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

- In all Bids where the proportionate allotment is less than 50 Equity Shares per Bidder, the allotment shall be made as follows:

    - Each successful Bidder shall be allotted a minimum of 50 Equity Shares; and

    - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

- If the proportionate allotment to a Bidder is a number that is more than 50 but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

- If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification (DP ID) number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company nor the Selling Shareholders nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. **ECS** — Payment of refunds would be mandatorily done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a

bank account at any of the abovementioned 68 centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.

2. **NEFT** (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

   The Company, in consultation with the BRLMs and the Registrar may decide to use the National Electronic Funds Transfer (''NEFT'') facility for payment of refunds.

3. **Direct Credit**—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company.

4. **RTGS**—Applicants having a bank account at any of the 15 centres detailed above, and whose Bid Amount exceeds Rs. 1 million, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event of failure to provide the IFSC code in the Bid cum Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

Please note that only applicants having a bank account at any of the 68 centres notified by SEBI where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 68 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through "Under Certificate of Posting" intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company shall ensure despatch of refund orders/refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

- Allotment shall be made only in dematerialized form within 15 days from the Issue Closing Date;
- Dispatch of refund orders/ refund advice shall be done within 15 days from the Issue Closing Date; and
- The Company shall pay interest at 15.0% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not dispatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15-day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

The Company will provide adequate funds required for the cost of despatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue.

Save and except refunds affected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONIES

The Company and the Selling Shareholders shall ensure dispatch of allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. The Company and the Selling Shareholders shall dispatch refund orders, if any, of value up to Rs.1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidders sole risk.

The Company and the Selling Shareholders shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (DIP) Guidelines the Company further undertakes that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid /Issue Closing Date would be ensured; and
- the Company and the Selling Shareholders shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.
- Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest in case of delay in dispatch of allotment letters/making refunds

The Company agrees that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. The Company further agree that it shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants within 15 days of the Bid/ Issue Closing Date or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed amongst the Company, the respective Depositories and the Registrar to the Issue:

a) A tripartite agreement dated March 23, 2009 with NSDL, the Company and Registrar to the Issue;
b) A tripartite agreement dated March 27, 2009 with CDSL, the Company and Registrar to the Issue.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
e) Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
f) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
g) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
i) The trading of the Equity Shares of the Company would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

Undertaking by the Company

The Company undertakes as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- that the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by the Company;
- that where refunds are effected through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund.
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Red Herring Prospectus are listed or until the bid monies are refunded on account of non-listing, under-subscription etc.

- Refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment."

Undertakings by the Selling Shareholders

The Selling Shareholders undertake as follows:

- the Equity Shares being sold pursuant to the offer to the public, have been held by them for a period of more than one year and the Equity Shares are free and clear of any liens or encumbrances, and shall be transferred to the eligible investors within the specified time;
- the funds required for despatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Company;
- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily. The Selling Shareholders have authorised the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors; and
- that the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time.
- That they will not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilization of Issue proceeds

The Board of Directors of the Company certifies that:

- all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilized monies have been invested; and

- Details of all unutilized monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

The Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft, number and issuing bank thereof.

Applicants can contact the Compliance Officer in case of any Pre-issue related clarification. In case of Post-Issue related problems such as non-receipt of letters of allotment/share certificates/credit of securities in depositories beneficiary account/refund orders etc., applicants may contact Compliance Officer or Registrar to the Issue.

Anchor Investor Portion

The Company may consider participation by Anchor Investor in the Net Issue for upto 5,46,900 Equity shares in accordance with the applicable SEBI Guidelines. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. In accordance with the SEBI Guidelines, the key terms for participation in the Anchor Investor Portion are as follows:-

a) Anchor Investors shall be QIBs as defined in the SEBI Guidelines.
b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs.1000 lakhs and in multiples of 50 Equity shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.
c) One-third of the Anchor Investor portion shall be reserved for allocation to domestic mutual funds.
d) The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.
e) The Company, in consultation with the BRLMs, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.
f) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares Allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date.
h) In case the Issue price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.
i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of allotment in the Issue.
j) The BRLMs or any person related to the BRLMs/Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

l) The payment instruments for payment into Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: "Escrow Account – Thinksoft IPO – Anchor Investor - R"
- In case of Non-Resident Anchor Investors: "Escrow Account – Thinksoft IPO – Anchor Investor – NR"

Issue program

Bid/Issue opens on	Tuesday September 22, 2009
Bid/Issue closes on	Thursday September 24, 2009

The Company may consider participation by Anchor Investor in terms of the SEBI Guidelines. The Anchor Investor Bid/Issue period shall be one day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till

- 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and;
- 5.00 p.m. till such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on working days i.e. Monday to Friday (excluding any public holiday).

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of the Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors making a Bid in response to the Issue will be required to confirm and will be deemed to have represented to the Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribed to the Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Selling Shareholders, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of the Company.

Investment by FIIs/NRI/VCF

Under present regulations, the maximum permissible FII investment in the Company is restricted to 24% of the total issued capital. This can be raised to 100% by adoption of a Board resolution and special resolution by the shareholders; however, as of the date hereof, no such resolution has been recommended to Board or the shareholders for adoption.

The allotment/ transfer of Equity Shares of NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI shall be subject to the conditions as may be prescribed by the government of India or RBI while granting such approvals.

Under the FEMA, FIIs and NRIs are permitted to subscribe for shares of an Indian company making a public issue without prior RBI approval.

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Resident, NRI and FII applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, ''U.S. persons'' (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to

‘‘qualified institutional buyers’’, as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of the Company (i.e., 10% of 10051581 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of the Company where such sub-account is a foreign corporate or an individual.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of ‘‘know your client’’ requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

As per the current regulations, the following restrictions are applicable for investments by venture capital funds and foreign venture capital funds registered with the SEBI:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with the SEBI. Accordingly, the Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their own independent investigations and ensure that the number of Equity Shares bid for does not exceed the applicable limits under relevant laws or regulations. However, the Company and BRLMs shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning the business and operations until the listing and commencement of trading of the Equity Shares.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association *inter alia* relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

CERTIFICATES OF SHARES

Subject to the provisions of the Companies (Issue of Shares Certificate) Rules, 1960 or any statutory modification or re-enactment thereof, share certificates shall be issued in the following manner:

14. Certificates

The certificates of title to shares and duplicates thereof, when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two Directors or a person acting on behalf of a Director under a duly registered power-of-attorney, and (ii) the Secretary or some other person appointed by the Board for the purpose, The two Directors or their attorneys and the Secretary or the other person shall sign the share certificates. Provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than a Managing Director or a Whole time Director. Every Member or allottee of shares shall be entitled, without payment, to receive certificates for the shares of the same class registered in his name. Every share certificate shall specify the name of the person in whose favor it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such share certificate shall be issued only in pursuance of a resolution passed by the Board or any committee thereof and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares, provided that, if the letter of allotment is lost or destroyed, the Board or any committee thereof may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence. Printing of blank forms for issue of share certificates and maintenance of books and documents relating to issue of Share Certificate shall be in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re- enactment thereof for the time being in force.

15. To which of the joint holders certificates to be issued

If any share stands in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at General Meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all instalment and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

16. Fully paid shares for consideration other than cash

Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for service rendered to the Company in the conduct of its business or in satisfaction of any outstanding debt or obligation of the Company and any shares which may be so issued shall be deemed to be fully paid-up shares.

17. Acceptance of Shares

Any application signed by or on behalf of an applicant for shares in the Company, followed by allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.

18. Issue of new certificate in place of one defaced, lost or destroyed

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.

The provisions of this Article shall apply *mutatis mutandis* to debentures of the Company.

19. Company not bound to recognize any interest in shares other than that of the registered holder

Except as ordered by a court of competent jurisdiction or as required by the Act or any other law for the time being in force, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holders thereof, but the Board may at its sole discretion register any share in the joint names of any two or more persons (but not exceeding 4 persons) or their survivors.

20. Trust not recognized

Subject to section 187-C of the Act save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognize any benami, trust (express, implied or constructive) or equitable, contingent, future or partial claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or limited notice thereof. The provisions of Section 153 of the Act shall apply.

21. Right of nomination

Subject to the provisions of Section 109A of the Act, every holder of shares in, or holder of debentures of, the Company may, at any time, nominate a person to whom his shares in, or debentures of the Company shall vest in the event of his death.

22. Limitation of time for issue of certificates

(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the transfer of registration is received by the Company.

a) one certificate for all his shares without payment, or
b) several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

CALLS ON SHARES

23. Calls

The Board may from time to time subject to any terms on which any shares may have been issued make such calls as they think fit upon the Members in respect of all money unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the Company and at the times and places appointed by the Board. Call monies may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

24. When call deemed to have been made.

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and due notice thereof has been posted or delivered to the Shareholders.

25. Board to extent time to pay call

The Board may from time to time at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. No member shall be entitled to such extension save as a matter of grace and favour.

26. Restriction on power to make calls

No call shall exceed one fourth of the nominal amount of share or be made payable within one month after the last preceding call was payable.

27. Notice of call

Not less than 14 days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

28. When interest on call or installment payable

(i) If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the holder for the time being of the share, in respect of which the call shall have been made or the installment shall be due, shall pay interest as fixed by the Board from time to time, from the day appointed for the payment thereof to the time of the actual payment as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

29. Amount payable at fixed time or by installments payable as call.

If, by the terms of issue of any shares or otherwise any amount is made payable, at any fixed time or by installments at fixed times, whether on account of the amount of the shares or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

30. Evidence in action by Company against shareholders

On the trial or hearing of any action or suit for the recovery at any money due for any call, it shall be sufficient to prove that the name of the persons sued, is or was, when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made, that the amount claimed is not entered as paid in the books of accounts of the Company that the resolution making the call is duly recorded in the minute book of the Company and that the notice of such call was duly given to the person sued, in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call or any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debts.

31. Payment of calls in advance

The Board may, if they think fit, subject to the provisions of Section 92 of he Act, agree to and receive from any Member willing to advance the same whole or any part of the monies due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agree upon, provided, that the money made in advance of calls shall not confer a right to participate in profits or dividends. The Board may at any time repay the amounts so advanced.

The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

32. Payment of dividend in proportion to amount paid-up

Every Member shall be entitled to receive dividends in proportion to the amount paid-up on each share where a larger amount is paid up on some shares than on others.

FORFEITURE OR LIEN

33. If call or installment not paid, notice may be given

If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

34. Form of notice

The notice aforesaid shall:-

a) name a further day not earlier than the expiry of 30 (thirty) days from the date of service of notice) on or before which the payment required by the notice is to be made; and

b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made, will liable to be forfeited.

35. If notice not complied with, shares may be forfeited.

If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or installment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

36. Notice after forfeiture

When any shares shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

37. Forfeited shares become property of Company

Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such a manner as they think fit.

38. Power to annul forfeiture

The Board may, at any time, before any share so forfeited shall have been sold re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

39. Arrears to be paid not withstanding forfeiture

Any Member whose shares shall have been forfeited shall, notwithstanding anything contained above, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at 10 percent per annum, and the Board may enforce the payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, which they shall not be under any obligation to do so.

40. Effect of forfeiture

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incident to the share except such of those rights as by these Articles are expressly saved.

41. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or, disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares who shall not be bound to see the application of the purchase money nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.

42. Company's lien on shares/debentures

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully-paid shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

43. Notice to be given

For the purpose of enforcing such lien the Board may sell the shares subject thereto in such a manner as it thinks fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his executors or, administrators or his committee, curator bonus, or other legal curator, and default shall have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities or engagements until the expiry of seven days after such notice.

44. Application of proceeds of sale

The net proceeds on any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of the debts and liabilities of such Members or engagements and the residue (if any) shall be paid to such Member, his heirs, executors, administrators, committee or curator.

45. Validity of sale under Article 42

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given the Board may cause the purchaser name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceeding or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

46. Board may issue new certificates

Where any shares are sold by the Board as aforesaid and the certificate thereof has not been delivered to the Company by the former holder of the said share, the Board may issue a new certificate for such share distinguishing it in such manner as they think fit from the certificate not so delivered.

TRANSFER AND TRANSMISSION OF SHARES

47. No fee on transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certification of death or marriage, power of attorney or similar other document.

48. Endorsement of Transfer

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and authorize any Director or officer of the Company or direct the issue of a fresh certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

49. Transmission of shares

The legal representative of a deceased Member shall be entitled to be recognized by the Company as having title to the shares of the deceased Member on production of probate or letters of administration or a succession certificate from a competent Statutory Authority, provided that the Board may dispense with the production of such probate letters of administration or succession certificates on the legal representative furnishing such indemnity as the Board may require.

50. Rights on transmission

A person entitled to a share by transmission shall retain such dividends or money as hereunder provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

51. Instrument of transfer

The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

52. Registration of transfer

Every instrument of transfer duly stamped and executed shall be left at the Office of the Company for registration, accompanied by the certificates of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. The Company shall retain all instruments of transfer, which shall be registered, but any instrument of transfer, which the Board may decline to register, shall, on demand be returned to the person depositing the name.

53. Board may refuse to register transfer

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these

Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares/debentures in whatever lot shall not be refused.

If the Company refuses to register the transfer of any share or transmission of any rights therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

54. Title to the shares of a deceased Member

The executors or administrators of a deceased Member (not being one of several joint-holders) shall be the only persons recognized by the Company, as having any title to the shares registered in the name of such deceased Member and in the case of death of any one or more of the joint-holder of any registered share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares. Provided however, that if the deceased member was a member of a joint Hindu family, and the Board on being satisfied that the shares standing in such name in fact belonged to the joint family may recognize the survivor or the Karta thereof as having title to the shares registered in the name of such Members. In any case it shall be lawful for the Board in their absolute discretion to dispense with production of probate or letter of administration or other legal representation upon such terms as to indemnity or otherwise as the Board may deem expedient and justified. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company, subject to the provisions of the clause on right to nomination, as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him with any other person.

55. Registration of transmission

Any person, becoming entitled to shares in consequence of the death or bankruptcy of any Member upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article or his title as the Board may think sufficient, may with the consent of the Board (which they shall not be under any obligation to give) be registered as a Member in respect of such shares subject to Article 47 (Transmission of Shares).

56. Boards right to refuse registration of transmission

The Board shall have the same right to refuse a person entitled by transmission to any share or his nominee, as if he was the transferor named in an ordinary transfer for registration.

57. No transfer to minor etc

The Board shall not issue or register a transfer of any share to a minor (except in cases where they are fully paid) or insolvent or person of unsound mind.

58. Application for transfer

a) An application for registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
b) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
c) For the purpose of clause (b) above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered in the ordinary course of post.

59. Execution of transfer

The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be attested, if required. The transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

60. Register of Members when closed.

The Board shall have the power, on giving not less than seven days previous notice by advertisement in some newspaper circulating where the Registered Office of the Company is situated, to close the Register of Members and/or Register of Debenture Holder at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

61. Company not liable for discharge of a notice prohibiting registration of a transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice, prohibiting registration of such transfer and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

62. Compliance with rules, regulations and requirements of stock exchanges, etc.

The Company shall comply with the rules, regulations and requirements of the Stock Exchange or the rules made under the Act, or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other law or rules applicable, relating to the transfer or transmission of shares or debentures.

63. No charge in certain cases

There shall be no charge for:

(a) registration of shares or debentures;

(b) sub-division and /or consolidation of shares and debenture certificates and subdivision on Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading;

(c) Sub-division of renouncible Letters of Right;

(d) Issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized;

(e) Registration of any Powers of Attorney, Letter or Administration and similar other documents.

BORROWING POWERS

77. Borrowing Powers of the Board

The Board may from time to time but with such consent of the Company in General Meeting as may be required under Section 293 of the Act raise any money or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act the Board may from time to time, at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities and in security of any such money so borrowed, raised or received mortgage pledge or charge, the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely in trust and give the lenders powers of sale and other powers as may be expedient and to purchase redeem or pay off any such securities. Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which the Board may borrow moneys. The Board may by a resolution at its meeting delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director, if any, within the limits prescribed.

Subject to the provisions of this Article, the Board may, from time to time, at their discretion, raise or borrow, secure the repayment of any sum or sums of money for the purpose of the Company, from time to time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by opening current accounts or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture stock (both present and future) of the Company including the uncalled capital for the time being of the Company, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture-stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

78. Securities may be assignable free from equities

Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

79. Instruments of transfer

If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instruments of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

80. Charge of uncalled capital

If any uncalled share capital of the Company is included in or charged by any other security the Board may, by instrument under the Company's seal, to make calls on the Members in respect of such uncalled capital and the provision herein before contained in regard to calls, shall, apply mutatis mutandis to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Boards power or otherwise and shall be assignable if expressed so to be.

GENERAL MEETINGS

81. When Annual General Meeting to be held

In addition to any other meeting, General Meetings of the Company shall be held within such intervals as are specified in Section 166 (1) of the Act and subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board. Each such General Meeting shall be called an 'Annual General Meeting' and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an 'Extraordinary General Meeting'.

82. When other General Meeting to be called

The Board may, whenever it thinks fit, call an Extraordinary General Meeting, and it shall, on the requisition of such number of Members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the General Meeting, forthwith proceed to call an Extraordinary General Meeting and in the case of such requisition the following provisions shall apply:

1) The requisition shall state the matter for the consideration of which the General Meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Office. The requisition may consist of several documents in like from each signed by one or more requisitionists.

2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the Member or Members herein before specified.

3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a General Meeting for the consideration of these matters on a day not later than forty five days from the date of deposit, the requisitionists or such of them as are entitled so to do by virtue of Section 169 (6) (b) of the Act may themselves call the General Meeting but any General Meeting so called shall not be convened after three months from the date of deposit.

4) Any General Meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which General Meetings are to be called by the Board.

5) Where two or more persons hold any shares jointly, a requisition or notice calling a General Meeting signed by one or only some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.

6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a General Meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

83. Circulation of Members' Resolutions

The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of Members.

84. Notice of Meeting

Save as provided in sub-section (2) of Section 171 of the Act, not less than 21 day's notice shall be given of every General Meeting of the Company. Every notice of a General Meeting shall specify the place and the day and hour of the General Meeting and shall contain a statement of the business to be transacted thereat. Notice of every General Meeting of the Company shall be given to every Member of the

Company, the Auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a Member in any manner hereinafter authorized for the giving of notices of such persons. The accidental omission to give any such notice to or the non-receipt by any Member or other person to whom it should be given shall not invalidate the proceeding of the General Meeting.

85. Meeting by shorter notices

Notwithstanding anything contained in the preceding clauses, with the consent in writing a General Meeting may be called after giving shorter notice, in the case of an Annual General Meeting by all Members entitled to vote there at and, in the case of any other General Meetings, by Members of the Company holding not less than 95 percent of such part of the paid up share capital of Company as gives a right to vote at the General Meeting.

86. Explanatory statement and scrutineers at poll

Sub-sections (2) and (3) of Section 173 of the Act relating to explanatory statement to be annexed to notice of a General Meeting and Section 184 thereof relating to scrutineers at poll shall apply to this Company.

87. Quorum

Five members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act or its applicable internal procedures.

88. Quorum to be present when business commenced.

No business other than the question of adjourning the General Meeting to some other day shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business.

89. Chairman of General Meeting

Mr A V Asvini Kumar, the Chairman of the Board shall preside as Chairman at every general meeting of the Company. In the absence of Mr A V Asvini Kumar, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Vice-Chairman of the Board shall preside as the Chairman of the meeting. If there is no Chairman or Vice Chairman, or none of them are present within fifteen minutes after the time appointed for holding the meeting, or are unwilling to act as Chairman of the meeting, the directors present shall elect one of their number to be the Chairman of the meeting. If at any time no Director is willing to act as Chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one amongst them to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

90. When quorum is not present General Meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for the General Meeting a quorum is not present the General Meeting if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned General Meeting a quorum is not present within half an hour from the time for the said General Meeting, those Members present shall be a quorum and may transact the business for which the General Meeting was called.

91. Chairman's casting vote

Every question submitted to a General Meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the vote to which he may be entitled as a Member.

92. What is to be evidence of the passing of resolution where poll not demanded

At any General Meeting, unless a poll is demanded in conformity with Section 179 of the Act by the Chairman or by at least five Members or any Member or Members holding not less than one tenth of the issued capital which carries voting rights, a declaration by the Chairman that a resolution has, on a show of hands been carried, or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book, should be conclusive evidence of the fact without proof of number or proportion of votes recorded in favor of or against the resolution.

93. Poll and Postal Ballot

If a poll is demanded as aforesaid, it shall be taken subject to Sections 180 and 185 of the Act as such in the same manner and at such time and place as the Chairman of the General Meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. The demand of the poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.

Notwithstanding anything contained in these Articles, in addition to the existing methods, the Company do adopt the mode of passing the resolution by its Members by means of a postal ballot including voting by electronic mode and/or any other means as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company.

(a) Any business that can be transacted by the Company in General Meeting; or
(b) Resolutions relating to such business as the Central Government, by notification, in this behalf declare to be conducted only by postal ballot. The Company shall comply with the procedure for such postal ballot and/or other methods prescribed by the Central Government or any other statutory authority from time to time.

94. Power to adjourn General Meeting

The Chairman of the General Meeting may, adjourn the same from time to time and from place to place but no business shall be transacted at an adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.

95. Cases in which a poll can be taken without adjournment.

Any poll duly demanded on the election of Chairman of General Meeting or any question of adjournment shall forthwith be taken at the General Meeting without adjournment.

96. Business may proceed not withstanding demand of poll

The demand for poll except on the question of election of Chairman and of an adjournment shall not prevent the continuance of a General Meeting for the transaction of any business, other than the question on which the poll has been demanded.

97. Special Notice

Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than 14days before the General Meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the General Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it was given notice of the General Meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the General Meeting.

VOTES OF MEMBERS

98. Votes of Members

On a show of hands every Member present in General Meeting in person shall have one vote and upon a poll every Member present in person or by proxy shall have one vote for every share held by him. Provided that the holders of preference shares shall not be entitled to vote unless a resolution is proposed affecting rights or privileges of the holders of preference shares. A Member is not prohibited from exercising his voting rights on the ground that he had not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.

99. Votes in respect of shares of deceased or insolvent Members

Any person entitled under Article 47 (Transmission of Shares) to transfer any shares, may vote at any General Meeting in respect thereof, in the same manner, as if he were the registered holder of such shares, provided that 48 hours at least before the time of holding the General Meeting or adjourned General Meeting as the case may be at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares unless the Board shall have previously admitted his right to vote at such General meeting in respect thereof

100. Vote in case of lunacy

A Member who is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll through his committee or other legal guardian, and any such committee or guardian may on a poll vote by proxy.

101. Joint holders of any share

Where there are joint registered holders of any share, the person first named in the register as the holder, may vote at any General Meeting either personally or by proxy in respect of such share as if he were solely entitled thereto. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

102. Proxy permitted

Votes may be given either personally or by power of proxy/representative to vote or by a duly authorized representative under Section 187 of the Act in case of a body corporate.

103. Instruments appointing Proxy to be in writing

The instrument appointing proxy shall be in writing, under the hand of the appointer or of his attorney duly authorized in writing, or if such appointer is a corporation or body corporate, either under its common seal or the hand of an officer at attorney so authorized. A proxy who is appointed for a specified General Meeting only shall be called a special proxy. Any other proxy shall be called a general proxy. Any person may be appointed as a proxy and need not be a Member of the Company or qualified to vote, save that a corporation or body corporate being a Member of the Company may appoint as its proxy any officer of such corporation or body corporate, whether Member of the Company or not.

104. Instrument appointing a proxy to be deposited at the Office

The instrument appointing a proxy and the power of attorney (if any) under which it is signed or notarially certified copy of that power of authority shall be deposited at the Office not less than 48 hours before the time for holding the General Meeting or adjourned General Meeting as the case may be at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.

105. When vote shall be valid though authority revoked

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office of the Company before the General Meeting.

Provided never the less that the Chairman of any General Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

106. Form of instrument appointing proxy

Every instrument appointing a proxy shall as nearly as circumstances admit be in either of the forms prescribed in Schedule IX to the Act.

107. Restriction on voting

No Member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another Member at any General Meeting or upon a poll or to be reckoned in a quorum whilst any call or other sum payable to the Company in respect of any of the shares of such Member shall remain unpaid, and no Member shall be entitled to be present or to vote at any General Meeting in respect of any share that he has acquired by transfer unless his name is entered as the registered holder of the share in respect of which he claims to vote, but this shall not affect shares acquired under a testamentary disposition or by succession to an intestate estate or under an insolvency or liquidation.

108. Representation of a body corporate

A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of debentures), authorize such person as it thinks fit, by a resolution of its board of directors or other governing Body, of its applicable internal procedures to act as its representatives at any General meeting of the Company or any class of Members of the Company or at any General Meeting of the creditors of the Company or debenture holders of the Company. A person authorized by resolution or its applicable internal resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate, which he represents as that body corporate, could exercise if it were an individual Member, creditor or holder of debentures of the Company. The production of a copy of the resolution or other certification of its applicable internal procedures referred above, certified by a Director or the Secretary or other officer of such body corporate before the commencement of the General Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives appointment and his right to vote thereat.

109. Rights of Members to use votes differently.

On a poll taken at the General Meeting of the Company a Member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

110. No proxy to vote on a show of hands.

No proxy shall be entitled to vote on a show of hands.

111. Time for objection to vote

No objection shall be made to the qualification of any voter or to the validity of a vote except at the General Meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the General Meeting.

112. Chairman of any General Meeting to be the judge of validity of any vote/poll

The Chairman of any General Meeting shall be the sole judge of the validity of every vote tendered at such General Meeting. The Chairman present at the taking of the poll shall be the sole judge of validity of every vote tendered at such poll. The decision of the Chairman shall be final, and conclusive.

DIVIDEND

158. Dividend to be declared in General Meeting

The Company in General Meeting may declare dividends to be paid to the Members according to their respective right and interest in the profits. No dividend shall exceed the amount recommended by the Board, but the Company may declare a smaller dividend in a General Meeting. The provisions regarding the manner and time of payment of dividend embodied in Sections 205, 206, 207 and 93 of the Act shall apply accordingly.

159. Interim dividends

The Board may from time to time pay the Members such interim dividends as appear to them to be justified.

160. Dividends out of profit only

No dividend shall be paid otherwise than out of the profits of the Company arrived at in the manner provided for in Section 205 of the Act. The declaration of the Board as to the net profits of the Company shall be conclusive.

161. Division of profits

Subject to the rights of persons if any entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of shares in the Company, dividends may be declared and paid according to the amounts paid on the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the share.

162. Debts may be deducted

The Board may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

163. Capital paid up in advance at interest not to earn dividend

Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right, to dividend or to participate in profits.

164. Dividends in proportion to amount paid up.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms, providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly. No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereof. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

165. Effect of transfer of shares

A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer.

166. Dividend to joint holders

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share. A person entitled to a share by transmission shall subject to the right of the Board to retain such dividends or money as is hereafter provided be entitled to receive dividend without being registered as a Member and may give a discharge for any dividends or other moneys payable in respect of the share.

167. Dividend how remitted

The dividend payable in cash may be paid by transfer to bank account or by cheque or warrant sent through post direct to registered address of the share-holder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the Register of Members or to such person and to such address as they may direct in writing. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

168. Dividend to be paid within time prescribed by the Act

1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within the time prescribed by the Act from the date of the declaration unless:
i where the dividend could not be paid by reason of the operation of any law;

ii where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
iii where there is a dispute regarding the right to receive the dividend;
iv where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder, or
v where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

2) (a) The amount of dividend, including interim dividend, declared shall be deposited in a separate bank account within five days from the date of declaration of such dividend or such time as may be prescribed in the Act from time to time.

(b) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "**Unpaid/Unclaimed Dividend Account THINKSOFT GLOBAL LTD**".

(c) The Company shall transfer any money transferred to the unpaid dividend account of the company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

169. Unclaimed dividend

No unclaimed dividend shall be forfeited by the Board and the Board shall comply with provisions of Sections 205A and 205B of the Act, as regards unclaimed dividends.

170. No interest on dividends

Subject to the provisions of Section 205 A of the Act no dividend shall bear interest as against the Company.

171. Dividends in cash

No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by Members of the Company.

DEMATERIALIZATION OF SECURITIES

176. Dematerialization of securities

Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its securities, rematerialize its securities held by the depositories and/or to offer its fresh securities in the dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

177. Option given to investors

Every person shall have the option to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a Depository in respect of such security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

178. Securities in Depository to be in fungible form

All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners. No certificate shall be issued for the securities held by the Depository.

179. Voting rights of Depository and beneficial owner

The Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner. Save as otherwise provided here in above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it. Every person holding securities and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner shall be entitled to all the rights and benefits and shall be subject to all the liabilities in respect of such of his securities that are held by the Depository.

180. Allotment of securities by the Depository

Notwithstanding anything contained in the Act or the Articles, where the Depository holds the securities, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

181. Register and Index of beneficial owners

The register and index of beneficial owners maintained by the Depository under the Depositories Act shall be deemed to be the Register and Index of Members and security holders for the purpose of these Articles except as is mentioned in the provisions of Section 150, 151 and 152 of the Act.

182. Transfer of securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

183. Beneficiary owners deemed as absolute owners

Except as ordered by the Court of competent jurisdiction or by law required the Company shall be entitled to treat the person whose names appears on the register of members as the beneficial owners of the shares in the records of the Depository as the absolute owners thereof and accordingly shall not be bound to recognize any benami. Trust equity, equitable contingent, future, partial interest other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with this Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons of the survivor or survivors of them.

184. Cancellation of Certificate upon surrender by person

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

185. Service of documents

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the company by means of hard copies or through Electronic mode or by delivery of floppies or discs.

186. Distinctive number of securities held in a depository

The shares in the capital shall be numbered progressively according to their several denomination, provided, however that the provisions relating to progressive numbering shall not apply to the share of the company which are Dematerialized from. Except in the manner provided under the Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

187. Provisions of Articles to apply to shares held in depository

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provision of Depository Act, 1996.

188. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the company in that behalf.

189. Option to opt out in respect of any such security

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.

The company shall within 30 (Thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

WINDING UP

206. Distribution of assets

If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held be them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the Members but this Article is to be without prejudice to the rights of Member registered in respect of shares issued upon special terms and conditions.

207. Distributions of assets in specie

If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may with the sanction of Special Resolution divided among the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

208. Director's other rights to indemnity

Subject to the provisions of Section 201 of the Act every Director, manager, secretary and other officer or servant of the Company shall be indemnified by the Company out of the funds of the Company for all costs charges traveling and other expenses, losses and liabilities which any such Director, manager, secretary and officer or servant may incur or become liable to pay by reason of any contract entered into, or act or deed done by him as such director, manager, secretary and other officer or servant, or in any way in the discharge of his duties (unless the same shall happen through his willful default, negligence, misfeasance, breach of duty or breach of trust) and the amount for which such indemnity as provided shall immediately attach as a lien on the property of the Company and shall have priority as between the Members over all other claims.

Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with an application under Section.633 of the Act in which relief is given to him by the court.

209. General clause

Wherever in the Act it has been provided that any company shall have any right, privilege or authority or that any company cannot carry out any transaction unless it is so authorized by its Articles, then in that case, this Article hereby authorizes and empowers this Company to have such right, privilege or authority and to carry out such transactions as have been permitted by the Act without there being any other specific Article in the behalf herein provided.

SECTION – X: OTHER INFORMATION

A. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus have been delivered to the Registrar of Companies, Tamilnadu, Chennai, Andaman & Nicobar Islands, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of Thinksoft Global Services Limited from 11:00 am to 5:00 pm on all working days from the date of this Red Herring Prospectus until the Bid/Issue Closing date.

MATERIAL CONTRACTS

1. Memorandum of Understanding amongst the Company, the Selling Shareholders and the BRLMs dated September 25, 2008.

2. Memorandum of Understanding dated September 24, 2008 entered into amongst Karvy Computershare Private Limited, Selling Shareholders and the Company to act as the Registrar to the Issue.

3. Escrow Agreement dated September 7, 2009 amongst the Company, the Selling Shareholders, BRLM(s), Registrar to the Issue and Escrow Bankers.

4. Syndicate Agreement dated September 7, 2009 amongst the Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] amongst the Company, the Selling Shareholders and the BRLMs.

6. Tripartite agreement dated March 23, 2009 amongst the Company, KCPL and NSDL, for offering depository services.

7. Tripartite agreement dated March 27, 2009 amongst the Company, KCPL and CDSL, for offering depository services.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company, as amended from time to time.

2. Certificate of Incorporation of the Company dated June 8, 1998.

3. Fresh certification of incorporation consequent to change of name from Relliant Global Services (India) Private Limited to Thinksoft Global Services Private Limited dated December 17, 1999.

4. Fresh certificate of incorporation dated August 19, 2008 pursuant to conversion into Public Limited Company.

5. Certificate of Registration of Company Law Board order dated February 26, 2008 for change of Registered Office of the Company from the state of Karnataka to Tamilnadu.

6. Certified true copy of the Resolution passed at the meeting of the Board of Directors held on September 12, 2008 approving this Issue.

7. Certified true copy of the Resolution passed u/s. 81(1A) of the Companies Act, 1956 at the Extra-ordinary General Meeting dated September 17, 2008 approving this Issue.

8. Resolutions of the general body for appointment and remuneration of the whole-time Directors.

9. Board resolution of Euro Indo Investments dated September 20, 2008 authorising Offer for Sale.

10. Copy of Letter dated September 25, 2008 from Mr.Vinod Ganjoor offering his shares under Offer for Sale.

11. Employment contract of Mr. Asvini Kumar A V and Ms. Vanaja Arvind dated September 18, 2008 and of Mr.Mohan Parvatikar dated August 28, 2009

12. Application with the RBI for Offer for Sale dated January 16, 2009 and RBI letter dated March 12, 2009.

13. Consents of all Directors, Selling Shareholders, Company Secretary and Compliance Officer, Auditors, BRLM(s) to the Issue, Syndicate Members, Rating Agency, Legal Advisors to the Issue, Bankers to the Company, Bankers to the Issue, Registrars to the Issue, to include their names in this Red Herring Prospectus to act in their respective capacities.

14. Report of the Auditors M/s. PKF Sridhar and Santhanam, Chartered Accountants on restated financials dated August 11, 2009 mentioned in this Red Herring Prospectus along with Annual Reports for the periods mentioned.

15. Report of the Auditors M/s. PKF Sridhar and Santhanam, Chartered Accountants dated August 11, 2009 on the Tax Benefit available to the Company and Shareholders.

16. Consent of the Auditors M/s. PKF Sridhar and Santhanam, Chartered Accountants dated August 11, 2009 for inclusion of their report on restated financial statements and tax benefits available to the Company and its shareholders in the form and context in which they appear in RHP.

17. Statutory Auditors Certificate dated August 11, 2009 regarding Sources and Deployment of Funds as on July 31, 2009.

18. Resolution of the Meeting of the Board of Directors of the Company for the constitution/re-constitution of Audit Committee, Remuneration Committee and Investor Grievance/Redressal Committee.

19. Certified true copy of Due Diligence Certificate dated March 16, 2009 to SEBI from BRLM – Karvy Investor Services Limited.

20. In-principle listing approvals from BSE and NSE dated June 12, 2009 and June 11, 2009 respectively.

21. Power of Attorneys for signing and making necessary changes to the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.

22. SEBI Observation Letter No. SRO/DIL/EIF/2009 dated July 15, 2009, reply given by BRLM – Karvy Investor Services Limited dated August 27, 2009 and SEBI letter dated September 2, 2009 confirming having noted the changes made in the Offer Document.

23. Legal Clearance Certificate dated August 26, 2009 given by ALMT Legal, Legal Advisors to the Issue.

24. Legal Due Diligence Report dated January 9, 2009 and Supplementary Due Diligence Report dated August 25, 2009 given by ALMT Legal, Legal Advisors to the Issue.

25. Copies of Form 5's along with relevant resolutions regarding increase of Authorised Share Capital.

26. Letter No. ICRA/IPO/Chen/02/09-01 dated August 17, 2009 issued by ICRA Limited describing the IPO Grading with the rationale.

27. Consent from ICRA Limited for inclusion of their report in the form and context in which they appear in the Red Herring Prospectus and the Prospectus.

28. Certificate of the Auditors M/s. PKF Sridhar and Santhanam, Chartered Accountants dated August 11, 2009 certifying the Material Development during the period from April 1, 2009 to July 31, 2009.

29. Copy of resolution of Board of Directors dated March 14, 2009 and September 7, 2009 approving the Draft Red Herring Prospectus and Red Herring Prospectus.

30. Copy of the architecture and interior consultancy and services agreement dated October 9, 2008 entered into by the Company with PADGRO Consultants Private Limited.

31. Initial listing application filed with Bombay Stock Exchange Limited and The National Stock Exchange of India Limited

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of the Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

B. DECLARATION

The Directors of the Company, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. All the said legal requirements connected with this said issue as also the guidelines, instructions etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with. The Board of Directors and CFO certify that all the statements made in this Red Herring Prospectus are true and correct.

The Company and the Selling Shareholders accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other materials issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

SIGNED BY THE DIRECTORS OF THE COMPANY:

Mr. Asvini Kumar A V, Managing Director

Mr.C.N Madhusudan, Director*
*For and on behalf of Mr.C.N.Madhusudan, Ms.S.Akila, Company Secretary(POA Holder)

Mr. K. Kumar, Director

Mr. Mohan Parvatikar, Wholetime Director

Dr. S. Rajagopalan, Director

Ms. Vanaja Arvind, Executive Director

SIGNED BY THE SELLING SHAREHOLDERS

Euro Indo Investments*

Mr. Vinod Ganjoor

** through its duly constituted attorney*

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. N Vaidyanathan

Date: September 7, 2009
Place: Chennai

I C R A Limited
An Associate of Moody's Investors Service

CONFIDENTIAL

Ref. No.: ICRA/IPO/Chen/02/09-10 August 17, 2009

Mr. A.V. Asvini Kumar
Managing Director
Thinksoft Global Services Limited
Type II, No.5, VSI Estate
Thiruvanmiyur
Chennai – 600 041

Dear Sir,

Re : ICRA Grading of Initial Public Offer ("IPO") of 3.65 million Equity Shares of Rs. 10 each, at a premium of Rs. per Equity Share, by Thinksoft Global Services Limited (comprising fresh issue of 1.35 million Equity Shares and offer for sale of 2.30 million Equity Shares)**

Please refer to your mandate letter dated September 1, 2008 for grading the Rs.** crore IPO of Thinksoft Global Services Limited ("Thinksoft"). The Rating Committee of ICRA, after due consideration, has assigned the **"ICRA IPO Grade 2"** (pronounced as ICRA IPO Grade Two) grading to the captioned IPO programme. This grading indicates below-average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as **"ICRA IPO Grade 2"**. We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your acceptance of this letter. The rationale for assigning the above grading will be sent to you in due course.

Notwithstanding anything to the contrary: An ICRA IPO Grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timelines, or completeness of such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such Issuer nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

Contd….P/2

** To be decided based on book building process.

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email : info@icraindia.com

Regd. Office : 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

R A T I N G • R E S E A R C H • I N F O R M A T I O N

This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the rated IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the instrument rated, as above, is not issued by you within a period of 2 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 2 months.

You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

We thank you for your kind co-operation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

(K. Ravichandran)
Vice President & Co-Head, Corporate Ratings

(V. Srinivasan)
Senior Analyst