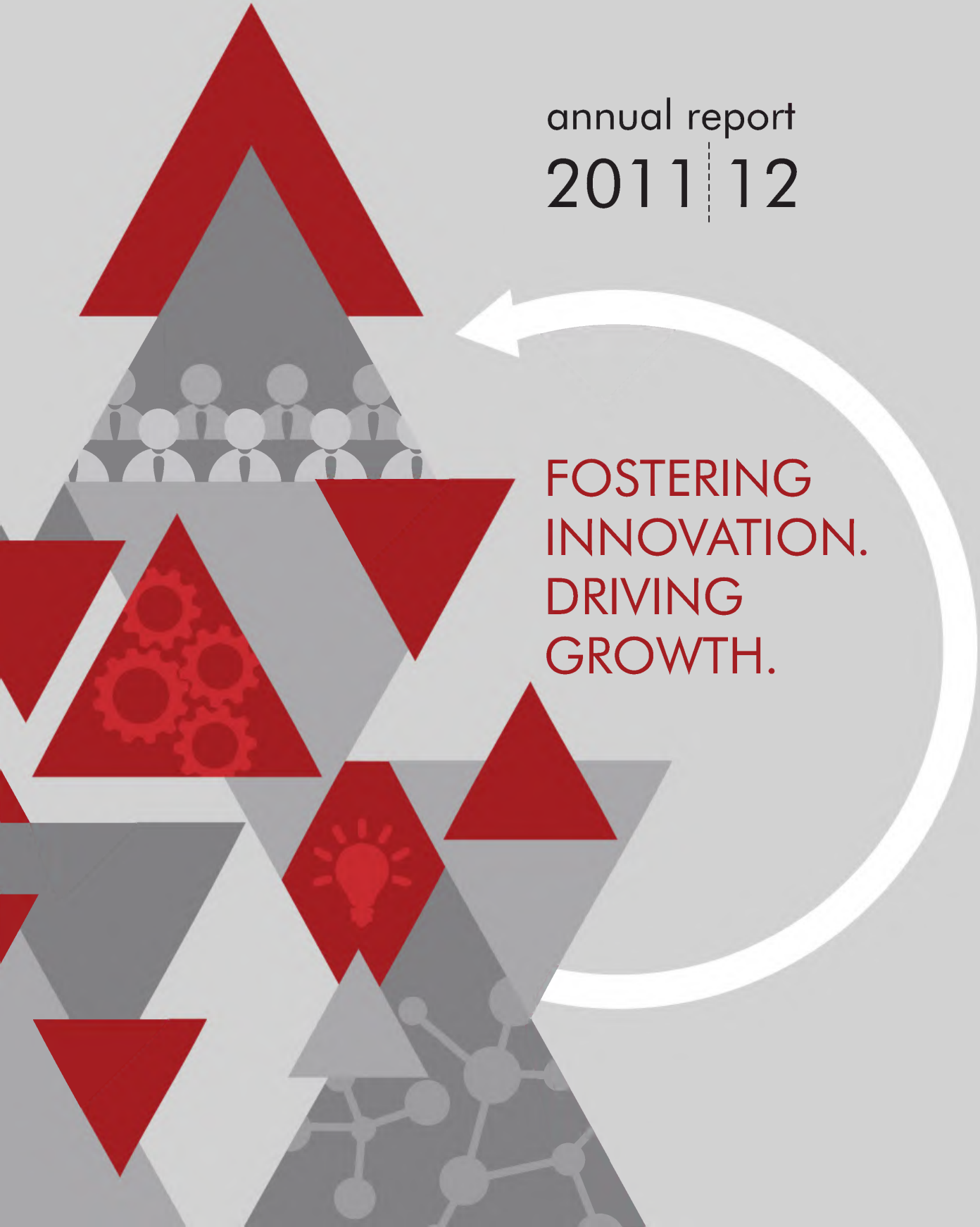
TAKE
Enabling Business Efficiencies

# annual report 2011 | 12



## FOSTERING INNOVATION. DRIVING GROWTH.

# CONTENTS


02 About Us

04 Financial Highlights

05 Performance Milestones

06 Superior Strategic Positioning

07 Awards & Accolades

08 Journey to Flawless Execution

08 Innovation is a Way of Life at TAKE

09 Nurturing Talent

10 Events

12 Board of Directors

14 Letter to Shareholders

16 Company Information

17 Directors' Report

21 Management's Discussion & Analysis

29 Corporate Governance Report

36 Secretarial Audit Report


## CONSOLIDATED FINANCIALS


37 Auditors' Report

38 Balance Sheet

39 Statement of Profit and Loss

40 Cash Flow Statement

41 Notes forming part of Financial Statements


## STANDALONE FINANCIALS


61 Auditors' Report on Abridged Financial Statements

62 Auditors' Report

64 Abridged Balance Sheet

65 Abridged Profit & Loss Account

66 Abridged Cash Flow Statement

67 Notes to the Abridged Financials

71 Statement under Section 212(8)

72 Balance Sheet Abstract & Company's General Business Profile

# FOSTERING INNOVATION. DRIVING GROWTH.

We live in trying times and as history has shown us before, the only way to break free from the clutches of doubt and recession is by fostering innovation. Some of man's greatest accomplishments have been a direct result of ingenuity in an era of paucity. We at TAKE solutions salute that spirit, that resourcefulness and foresight that led men to rise above trying circumstances to achieve what would have otherwise been deemed impossible or worse still, unnecessary.

There is always room for betterment and adversity just sharpens the tools of progress. In the past year, TAKE has added new realms to expand in Life Sciences and Supply Chain Management by direct acquisitions.

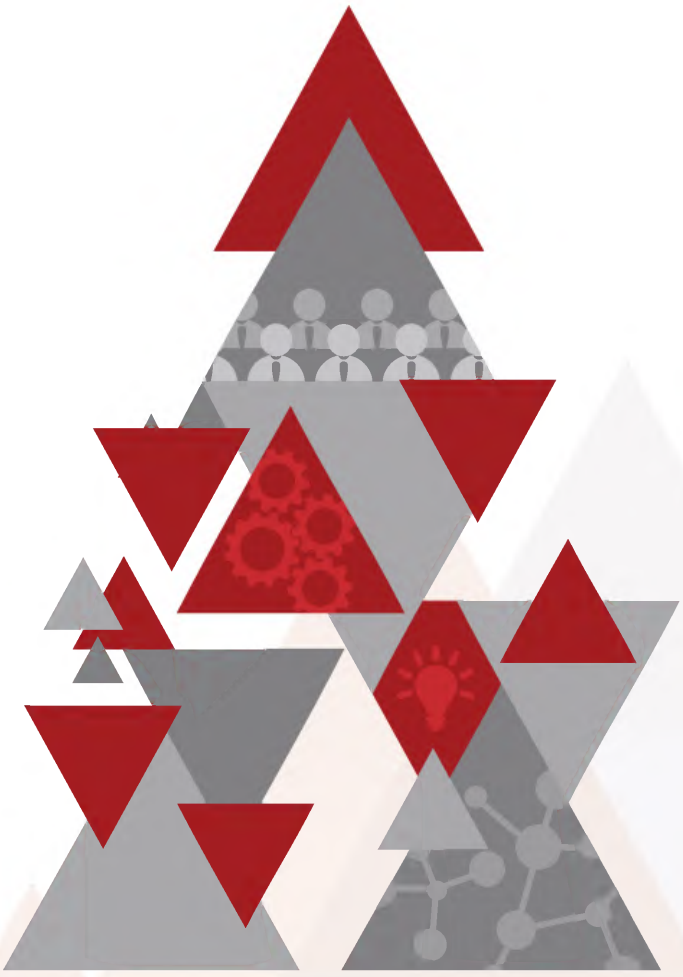
We bolstered our realm of operations and focused on R&D efforts for a breakthrough, something that didn't go unnoticed. We were recognized as a leader in the IDC MarketScape Worldwide Life Sciences R&D IT Outsourcing Ratings for 2011.

'CONVERGE', our own unique annual customer event is one forum that consistently delivers. The event not only brings customers, industry experts and our leadership team together to share experiences but also envisions the future through expert eyes. This leads to concrete opportunities thus establishing the path to innovate and set drivers of growth.

Innovation is a way of life at TAKE and to sustain our value proposition, we channelize customer feedback to our talented workforce who as part of an ongoing initiative called iTAKE come up with path breaking ideas that further our product evolutionary cycle.

Progressing ahead, driving growth in key segments including Manufacturing, Distribution, Logistics, Retail, Life Sciences - Pharma, Healthcare, IT/ITES and Business Services will ensure that TAKE has a role in being an enabler of the new world economy.

While we are tempted to dwell upon our accomplishments and feel proud of our can-do spirit, we know that growth cannot be sustained by laurels alone; it is a spirit of innovation that drives our growth and the fuel for that is inexhaustible.



# ABOUT US

**A sneak peak into what TAKE offers:**

TAKE stands for Technology, Analytics, Knowledge and Enterprise. TAKE Solutions is a leading global business technology Company, providing innovative, cost-effective and comprehensive solutions for businesses across diverse sectors through its two key niche business focus areas - Life Sciences (LS) and Supply Chain Management (SCM). Started in the year 2000, the Company has become a leader in SCM and LS business with an annual turnover of ₹ 718.8 crores. Technological innovations have always been the driving force of the Company, which in turn helps TAKE's customers achieve consistent growth in business. TAKE is a differentiated company with a unique competitive advantage. It has consistently demonstrated capability to deliver growth. It has built a high quality workforce that is motivated and passionate. Innovation has been the way of sustaining and growing the value proposition. Every year, with more elements added to the pyramid, TAKE is growing into a towering personality.

## Sustainable Competitive Advantage

TAKE is a knowledge based, IP driven Company. Equipped with a suite of IP based software solutions to address global business needs and with rich deep domain expertise, we take an edge over competitors. Growing the number of customers and increasing the wallet share in each customer is a measure of our competitive advantage. 'CONVERGE', our annual customer event, is a demonstration of this. We bring in our customers, industry experts and our leadership team together to share their experiences, look at opportunities for growth, and build long term partnerships with us.

## Superior Strategic Positioning

The LS solutions & services market is estimated at USD 16 Billion and the SCM solution market is about USD 50 Billion. TAKE has established leadership position in the geographies it operates. We have demonstrated capability in delivering high value solutions for customers. The testimony is in the form of various accolades and recognitions received. Recently, IDC ranked TAKE as a Leader in IDC MarketScape: Worldwide Life Science R&D IT Outsourcing 2011. Supply & Demand Chain Executive has also recognized TAKE for the second consecutive year in their 11th annual top 100 Great Supply Chain Projects. We are at an enviable position in the segments we operate.

## Proven Execution Capabilities

Today, TAKE has presence in over 8 countries, serves 400+ marquee customers worldwide which includes more than 150 Fortune 1000 customers. TAKE is certified at CMMI Level 5 & PCMM Level 3 with the right infrastructure and capabilities to deliver consistent values to customers. Quest, the Company's quality system, continues to evolve into a more robust enabler to deliver consistency and scale – providing TAKE the true pedigree of a leader. Your Company has achieved demonstrable success by adopting a process oriented and planned approach.

## People Focus

Entrepreneurship & empowerment as a means of keeping employees motivated and engaged have always been the core of TAKE's philosophy. Our culture is embedded in our values: Vibrancy & Joy, Differentiate, Equity with Fairness, Boundaryless Innovation & Integrity. This has kept our employees motivated. TAKE CONFLUENCE – an initiative to inculcate a 'one mission, one team' commitment across the organization has also been launched successfully.

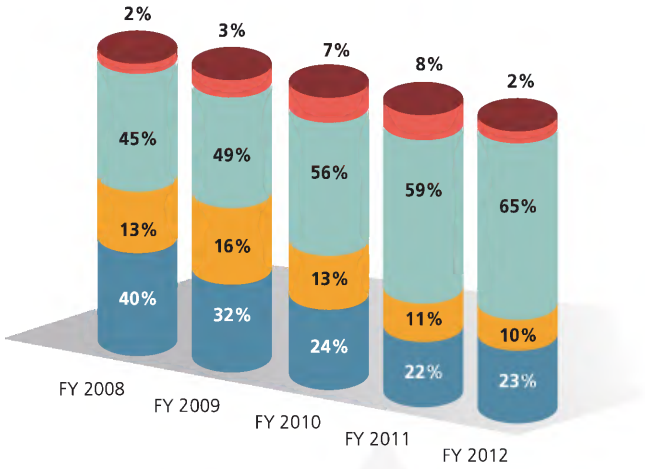
## Innovation

Innovation is a way of life at TAKE and is a critical ingredient in sustaining the value proposition. Engaging and listening to customers is a major source of innovation. Channelizing these inputs, along with path-breaking ideas from the workforce, is a critical success factor for TAKE's iTake initiative to foster innovation. This initiative has been launched last year. We constantly believe in the fact that, "We are the CHANGE".

TAKE's global headquarters is in Chennai, India; it's U.S. headquarters is located in Princeton, New Jersey. To summarize, we aspire to be the top of the mind recall when it comes to Life Sciences & Supply Chain Management.

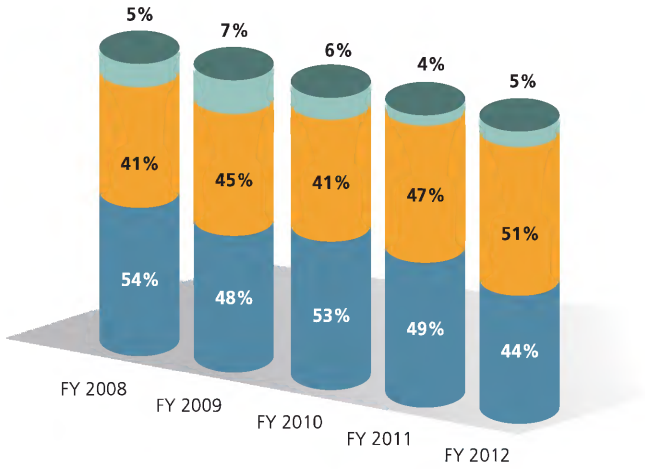
# FINANCIAL HIGHLIGHTS OF 2011-12

### Revenue By Category



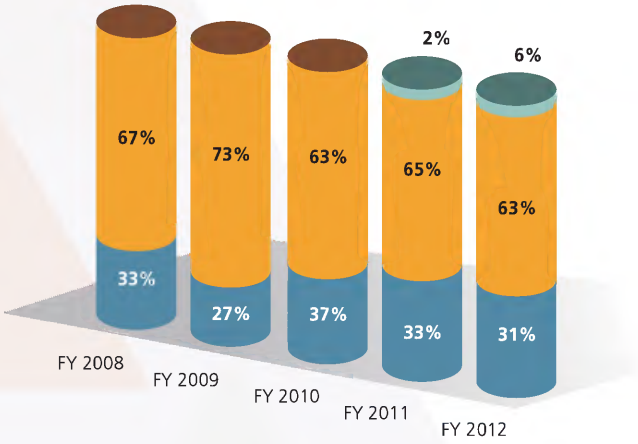

Product Licenses & Related Activities | Maintenance Fees | Services | Others

### Revenue By Vertical




Supply Chain Management | Life Sciences | Others

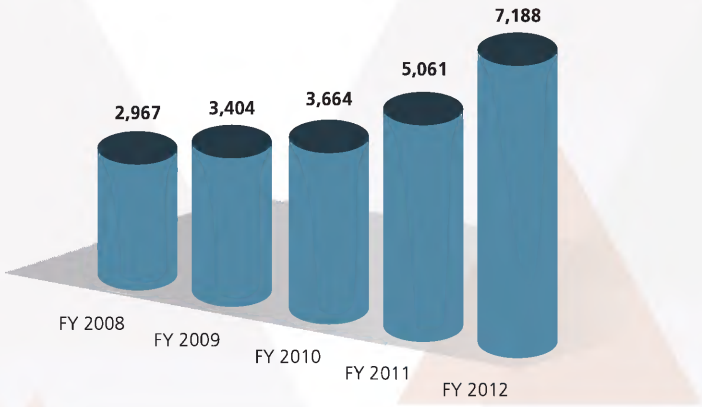
### Revenue By Geography




Asia Pacific | United States | Rest of the World

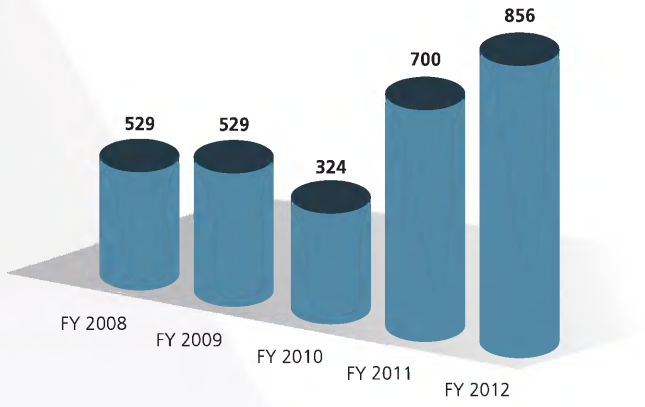
### Total Revenues

(INR Million)




### Profit After Tax

(INR Million)



# PERFORMANCE MILESTONES

## FINANCIAL GROWTH

- The consolidated revenue for the year was INR 7,188 million (USD148.1 million), a 42% increase over FY 10-11
- Net Profit for the period was INR 856 million (USD 17.6 million)
- The diluted Earnings Per Share (EPS) for the period was INR 7.11
- The Board has recommended a 100% dividend for FY 12

## SUSTAINING VALUE PROPOSITION THROUGH IP

- Launch of vendor inventory management and visibility with release of Xtended Process Control 5.8
- Release of OneSCM 7.1, a multi-enterprise online collaboration suite for trading partners to manage supply chain operations
- Extension of data collection services with the launch of a dedicated Enterprise Mobility practice for Oracle E-Business Suite customers
- Extension of Safety and Pharmacovigilance services with the launch of SafetyReady for Oracle customers
- Release of PharmaReadyTM 5.0, a web-based regulatory compliance solution suite for Life Science organizations to ensure faster approvals of new products

## CUSTOMER WIN

One of the milestones this year was a major customer win from a global pharmaceutical company to provide regulatory services. It was an incredible team effort with all departments across TAKE playing a role in pushing this opportunity over the goal line. This is truly a transformative deal for TAKE and will allow us to build our Life Sciences business and meet our aggressive sales objectives.

# SUPERIOR STRATEGIC POSITIONING

## TAKE – An Industry Leader!

TAKE Solutions received a 'Leader' rating on 21st September, 2011 in IDC Health Insights MarketScape: Worldwide Life Sciences R&D IT Outsourcing Report 2011 Vendor Assessment. The 'Leader' category is the report's highest ranking.

Evaluation is based on a comprehensive framework and set of parameters expected to be conducive to success in Life Sciences R&D IT outsourcing services and emerging growth in both the short-term and long-term.

According to IDC, "TAKE has built a strong list of clients, based on its deep domain knowledge, willingness to engage customers as partners, IP-based solutions, and thought leadership in clinical, regulatory, drug safety, and other life science areas. TAKE's diverse customer base, broad services portfolio, strong commitment to life science industry-specific growth, domain-centric expertise, and strong customer relationships make it a fierce competitor in winning projects that the Company competes for."

IDC's research confirms that our commitment to enable customer successes by delivering life sciences industry expertise and business technology skills is strengthening our competitive edge.

# AWARDS & ACCOLADES

We are proud to share the industry acknowledgement of our domain rich expertise in Life Sciences & Supply Chain Management. Some of the accolades won:

- Corporate award for "Significant Contribution to SCM field" at the Spectrum Conference 2012 organized by Indian Institute of Materials Management (IIMM), Chennai
- Honored on the 2012 Supply and Demand Chain Executive 100 List for the second consecutive year
- Recognized as a leader by IDC's MarketScape Worldwide Life Sciences R&D IT Outsourcing for 2011
- Named to 2011 Supply Chain Distinction Awards North America Shortlist
- Awarded 2011 "Editors' Pick" Distinction by Consumer Goods Technology Magazine
- Named to Food Logistics 2010 FL100 List for fifth consecutive year
- Positioned as one among the seven finalists in the NASSCOM IT Innovation Awards 2011 for Process Innovation category
- Bagged MMA (Madras Management Association) award for Managerial Excellence 2010 in the Services category
- Recognized as Top 100 Logistics IT Providers By Inbound Logistics magazine
- SupplyChainBrain Great Supply Chain Partner 2010 for fourth consecutive year
- Global Logistics & Supply Chain Strategies 2009: 100 Great Supply Chain Partners List
- Deloitte Fast 500 Asia Pacific 2008 and 2009
- Deloitte recognizes TAKE as India's 10th fastest growing Technology Company
- Nominated among the top 5 in the "Best Asian Supply Chain Software Solution" category

# JOURNEY TO FLAWLESS EXECUTION

## WHERE WE STAND TODAY IS BECAUSE OF WHAT WE HAVE ACHIEVED

### One Step Ahead - CMMI Assessment

TAKE was successfully assessed at the Maturity Level 5, CMMI® for Development (v 1.2) – Listed by Software Engineering Institute (SEI), Carnegie Mellon University.

This was a moment of celebration on the 25th August 2011, which was flagged off with an opening speech by our Managing Director S. Sridharan and K. K. Raman, Executive Director, KPMG. P. G. Subramanian and Pradeep from our Quality Team also shared their insights on how they went about the whole process. The appraisal participants and the assessment team which was led by K. K. Raman, were awarded for their contributions towards this success. The Level 5 assessment assures our customers that the software product developed meets their requirements in terms of quality and time.

# INNOVATION IS A WAY OF LIFE AT TAKE

## SOME OF THE INNOVATIVE MEASURES TAKEN THIS YEAR IN PEOPLE, TECHNOLOGY & PROCESS ARE:

### PEOPLE

**iTAKE**

iTAKE was launched in September 2011 in order to create a centralized innovation process that would enable us to leverage innovation from every level of TAKE. The iTAKE platform enables every TAKEster to submit ideas that will then be reviewed, refined and finally implemented.

### TECHNOLOGY

**Life Sciences**

SafetyReady, one of our innovations launched in October 2011, enhances standard PV systems by leveraging Web 3.0 technologies, actionable social media monitoring, mobility based field-data collection, standards driven integration, and domain-rich IT services like safety analytics. The innovation ensures that pharma companies are better equipped to make drugs safer by collaborating with the regulatory agencies and the end-users of the drugs themselves.

**Supply Chain Management**

OneSCM, our successful SCM product line, was further enhanced using an innovative and efficient architectural pattern for multi-tenant SaaS applications, that enables each tenant customize their virtualized application to meet their specific business needs, without compromising data management and isolation.

Our innovative orchestration framework has further enhanced our Gemini Series product line by adding the capability to drive processes across multiple enterprise applications and mobility platforms – making our solutions work with any platform and on any device. This eliminates expensive middleware and integration; it also helps deliver functionality with performance and scale.

TAKE has also launched Trac-Easy, an innovative GS1 Enabled Track & Trace Solution for the pharma industry. It enables all stakeholders to efficiently and effectively comply with various local and global serialization and pedigree requirements by ensuring interoperability and compatibility within an organization, between organizations and across borders.

### PROCESS

**Quest**

TAKE launched QUEST 5.0, Quality Management System (QMS) which encompasses the requirements of both development and service models of CMMI and standards such as ITIL, ISO9001, ISO27001 and domain / statutory requirements.

# NURTURING TALENT

**The year that was** – To the credit of all involved, many concrete steps were taken towards the journey ahead in all areas of HR practices.

**Talent Acquisition** – The talent pool is getting richer in the competencies it possesses and a structured approach to acquiring talent from prestigious universities like the IIMs are some of the measures adopted. We have always believed in providing high value solutions for our customers and in line with this, we have strengthened our leadership team for tapping the right talent across verticals. 20% of our workforce are domain specialist.

**Talent Engagement** – Various initiatives that were launched such as TAB (TAKE A Break), IFME (Ideas for Mother Earth), TAKE Connect etc. are transforming the work culture into a vibrant participatory one exhibiting enthusiastic participation in the healthy competitions and activities conducted. The talent engagement activities draw people together and bring out the best in each as individuals and as teams. The programmes and events provide an opportunity to display the values of the organization and also act as a platform to explore and nurture hidden talents. New calendars were designed for TAB initiatives and TAKE Connect. TAKE Connect was a forum which connected the senior leaders and industry experts with TAKEsters, thereby providing them deeper insights and learnings that they could pursue.

**Performance Management System**
Performance Management System is the key lever to ensuring organizational success. Concrete effort has been made to give a 360 degree perspective on the importance of providing information towards the goals, need for metrics, need for managing performance and collaboratively achieving organizational goals.

**TAKE & LIBA CoE:** TAKE's association with LIBA started as an effort for collaboration with industry and academia. As TAKE is continuously focused on bringing technological innovation in the life sciences and supply chain domains, the Center of Excellence provides a platform to create, manage and learn the new practices and developments in both these areas.

**Driving Entrepreneurship**
"Entrepreneurship" is the core ethos at TAKE. We have a deep commitment in allowing people to take on challenges and higher responsibilities.

**New Initiatives in the Pipeline**

- iConnect, a skip level meeting format that encourages every Manager to proactively engage with their individual team members,
- LEAD (Leading, Engaging, Acknowledging and Demonstrating) a leadership development framework to nurture and grow potential leaders within the organization,
- Values calendar was initiated with the aim to imbibe the values of TAKE, providing a platform for employees to contribute towards stronger values,
- TAKE Confluence was initiated to engage in a shared vision and landmark to be achieved going forward, and to foster better understanding of business priorities and the need to strive for excellence.

# EVENTS

## CONVERGE 2011

TAKE Solutions conducted CONVERGE, a two-day annual event in June 2011 at the Crystal Springs Golf Resort, New Jersey. In its second year, the event saw the convergence of TAKE's valued customers, analysts and industry experts.

The event started with the key note address by renowned speaker and author, Guy Kawasaki. He enthralled the audience with his motivating and entertaining speech on "Rules for Revolutionaries", the book that sold millions of copies. Srinivasan H. R., our Vice Chairman and Vision Holder elaborated on the vision and direction for TAKE Solutions. Analysts from IDC and Chain Link Research discussed issues impacting SCM and Life Sciences industry including, managing complexity, collaboration, and cloud and leveraging mobile. The event was attended by over 60 customers, representing the cross section of TAKE's customer base from small & medium to Fortune 500 companies from life sciences and supply chain. All the presentations and panel discussions were focused around the theme for the event: *Maximizing Value from Technology Investments.*

At the event, TAKE Solutions also launched the latest version of Xtended Process Control (X.PC) 5.8 supplier relationship management software. Also, product roadmaps were discussed in detail for all the solutions from TAKE for life sciences and supply chain domains.

## Leadership Meet 2011

TAKE conducted a two day leadership meet at Chennai on 18th & 19th August, 2011. The event saw close to 18 participants where a few of them were accompanied by their spouses. Day 1 of the leadership meet kicked off with Visioning & Strategy Framework discussions which were led by Srinivasan H. R. During the second half of the day, an external trainer, Nidhi Reddy, organized team building exercises that were thoroughly enjoyed by all. The theme for the evening was "Indian Ethnic wear" where the men were dressed in dhoti and the women were all beautifully dressed in their sarees. The evening just got better and exciting with the live band playing. Day 2 began with discussions about case studies on "Accelerated growth during challenging times" which was facilitated by Prof. Ramanathan. This proved to be a very informative and interactive session. The session was extended where each team presented a case study on a particular IT

company's success. This was followed by a set of activities on team building, beach cricket and dinner with a Karaoke session where each and every one was very sportive and participated enthusiastically. This meet gave everyone an opportunity to learn, enjoy and know each other better.

## CSR

**TAKE Solutions extends helping hand in children education**

TAKE organized the "TAKE Solutions Scholarship Distribution Day" in partnership with GiveLife, an NGO which undertakes various initiatives for the welfare of underprivileged children in Tamil Nadu. Through this initiative, TAKE provides educational sponsorship (uniforms, books, bags, and stationery and school fees) to 500 children annually. Employees of TAKE participated by distributing these to the children at the Government High School, Tambaram on June 30, 2011. TAKE Solutions in association with GiveLife has been extending this sponsorship for the last three years. This year, as part of the community interaction initiative, employees at TAKE took the lead to visit schools in and around Tamil Nadu to share their experiences with young students. They conducted several sessions over a span of 4 months where every session had a theme, eg. Career Exploration or Effective use of Mass Media, to bring more focus and interest.

## TAKE UTSAH

TAKE UTSAH, the much awaited event of the year, was celebrated on 24th February, 2012 continuing its tradition of pure fun and joy. This year the theme was "Royals of TAKE", where every TAKEster had the privilege to feel like a true leader and a royal in the kingdom

of TAKE. A week before the event, the countdown began with a thump of a town crier who heightened the anticipation of the event. The men were welcomed with decorative stoles and the ladies with elegant pearl necklaces to the royal kingdom of TAKE. The esteemed guest of honor for the event was one of our major customers whose speech was motivational and inspiring.

The event witnessed a variety of entertainment which included fun filled team games, an interactive drumming session where they created rhythms and complex wave patterns. This was followed by the formal programme where the luminaries of TAKE addressed the gathering with their insightful speeches.

An entertaining contemporary dance and a Kalari performance were a feast to watch. This was preceded by awards for best individual performance and team performances (Gem & Dream Awards). The other key highlight of the event was the felicitation of employees who had completed five and ten successful years. A photo-op corner with a backdrop of Royal Drapes where employees could pose adorning royal accessories was a major attraction of the event. This was truly a fun-filled evening.

## The TAKE Solutions World Corporate Golf Challenge 2011-2012

McLeod Russel won the National Final of 'TAKE Solutions Seventh World Corporate Golf Challenge - 2012'. After marking their success at India, team McLeod Russel comprising of Mr. Lakshman Singh and Mr. Aditya Khaitan won the National-finals of TAKE Solutions World Corporate Golf Challenge - 2012, held at Suwan Golf & Country Club, Bangkok on April 10th, 2012.

With over 28 players from 14 companies duelling, the National Final round was a close competition combined with an intense yet

entertaining feast for the audience. The final line up for the National Final included teams from Parle, Ferrero Rocher, HUL, HRG Sita, Cadence, Swiss Military, Ministry of Finance, AG Polymers, Barclays Wealth, Wipro, Nvidia Graphics, Titan Industries and Atrimed Pharma.

Our congratulations to the winning team.

## TAKE Chennai clinched the Third Position at the Louis Philippe Cup 2012

TAKE Chennai clinched the third position at the Louis Philippe Cup for this year, held during March 7-10, 2012, at Bangalore; Navratna Ahmedabad was declared winner, followed by Puravankara Bangalore as runners up. TAKE Solutions sponsored the Chennai team comprising of SSP Chowrasia, Gaurav Ghei and Anura Rohana. The Louis Philippe Cup is the most exciting innovation in Indian golf in recent times. Thirty top professionals, representing 10 city based franchisees, clash for glory and this tough battle for US$ 2,50,000 - the biggest purse on the Indian tour was worth the fight as the 3 teams had a very close match.

TAKE Chennai prevailed over Dev Ellora Chandigarh in the closest match of the day with two of the three singles going into sudden death tie break. We look forward to more such Golf challenges in the country and hope that the Chennai team will take center stage in the next year's Louis Philippe Cup with more excitement.

# BOARD OF DIRECTORS

## N Kumar
Chairman

Mr. Kumar is the Vice Chairman of the Sanmar Group, a well known Industrial Group in India that has interests in Chemicals, Engineering and Shipping. He serves on the boards of many Blue Chip Companies. He carries with him vast experience in the sphere of Technology, Management and Finance.

Recognized as a senior and most respected voice representing the Indian Industry, he is also the Honorary Business Representative of the International Enterprise Singapore and the Honorary Consul General of Greece in Chennai.

He is an active spokesperson of Industry and Trade and was the former president of Confederation of Indian Industry (CII), a leading industrial body.

He is involved in supporting NGOs working for the welfare and training of Exceptional Children and is also a part of various apex bodies. Mr. Kumar holds a degree in Electronics & Communications Engineering.

## S Krishnamurthy
Independent Director

Shri S. Krishnamurthy is a first class graduate of Madras University with Master's Degree in Labor Management. He holds PG Diploma in HRM & IR & PM. He is also a Certified Associate of the Indian Institute of Bankers with a Bachelor's Degree in General Laws.

Shri Krishnamurthy is a Senior Banker with extensive experience of over 4 decades in the Reserve Bank of India and Commercial Banks.

He served as General Manager (Vigilance & Inspection/Audit) in Indian Overseas Bank, Chennai for 5 years and also as the Chairman and CEO of Tamilnad Mercantile Bank Ltd., Tuticorin for over 5 years. He was Banking Ombudsman, Chennai for about two years. He serves on the Boards of Shriram City Union Finance Ltd., Kerala Ayurveda Ltd., and Shriram EPC Ltd.

## D A Prasanna
Independent Director

Mr. Prasanna is the Founder and Vice Chairman of Ecron Acunova, a venture promoted by Manipal Education and Medical Group and Acunova Life Sciences. He is a Trustee of Shriram Ownership Trust, which shapes the strategy of the Shriram Group of Companies. He leads an industry taskforce for projecting and promoting Bengaluru as a Health Destination under the aegis of the CII.

He is acknowledged in the healthcare sector as the pioneer in creating a market for high tech medical equipment and delivering clinical excellence at low cost fees in Asian Hospitals, through innovative strategies. Mr. Prasanna is an alumnus of the Indian Institute of Management, Ahmedabad and GE Global Business Leadership Program at Crotonville.

## Prof. G Raghuram
Independent Director

Professor G. Raghuram is a distinguished expert in Supply Chain and Logistics Management, Infrastructure & Services Management and related subjects. He has served as consultant to over 53 organizations in India and overseas.

He is currently the 'Indian Railways Chair Professor' at the Indian Institute of Management, Ahmedabad and a member of boards and government committees related to Infrastructure and Logistics. He has taught in several prestigious institutions and co-authored four books.

Prof. G. Raghuram is a Ph.D from Northwestern University, Kellogg Graduate School of Management, USA and an alumnus of the Indian Institute of Management, Ahmedabad. He holds a B.Tech degree in Electrical Engineering from Indian Institute of Technology, Chennai.

## N Rangachary
Independent Director

Mr. N. Rangachary is an authority in finance and taxation. He is an advisor to a number of organizations.

He started his career as an Indian Revenue Service Officer in 1960 and has held prestigious positions spanning a long & distinguished career. He has served as Chairman of the Central Board of Direct Taxes and Chairman of the Insurance Regulatory and Development Authority.

He was honored with the International Insurance Award for the years 1999 and 2000 by the International Insurance Council, USA. Mr. Rangachary is a Chartered Accountant, Cost Accountant and Company Secretary as well as an Honorary Fellow of the Actuarial Society of India.

## R Sundara Rajan
Independent Director

Mr. Sundara Rajan is currently an advisor to the Shriram Group of Companies, Chennai. With a career spanning over three decades, he has hands on experience in pharmaceutical marketing, pharmaceutical projects and setting up foreign collaboration ventures in India.

He holds a graduate degree in Mechanical Engineering with a post graduation in Management from the Indian Institute of Management, Ahmedabad. Mr. Sundara Rajan is also a Chartered Engineer and Associate of the Insurance Institute of India.

## Srinivasan H R
Vice Chairman & Vision Holder

Mr. Srinivasan is the founder of the Company and a member of the Board of Directors. He brings in 25 years of experience in Supply Chain Management and General Management. In TAKE Solutions, his responsibilities include Leadership Development, Mergers & Acquisitions and new initiatives.

Mr. Srinivasan started his professional career as a Civil Servant serving with the Ministry of Railways, Government of India. Post that, he moved to the Private Sector where he held several leadership roles – amongst others, Executive Director – Shriram Group; Managing Director – SembCorp Logistics, Singapore; Managing Director – Temasek Capital, Singapore.

He has been very active in various industry fora, having served both the State and the Regional Council of Confederation of Indian Industry (CII). He is also the Past President of TIE (The Indus Entrepreneurs), Chennai Chapter. In 2008 he was conferred the CII Connect – "Entrepreneur of the Year Award". In 2010 he also bagged the CII Tamil Nadu Emerging Entrepreneurs Award given in association with The Hindu Business Line. Mr. Srinivasan is also a member of the YPO. Mr. Srinivasan holds a degree in Mathematics with a post graduation in Management.

## N S Nanda Kishore
Director

Mr. Nanda Kishore has 17 years of experience in the Financial Services Industry in Technology, Business Process Management and Customer Service.

He is currently the Group CTO of the Shriram Group, which is a major player in Financial Services, Life Insurance, General Insurance, Wealth Management, Infrastructure, Power and Engineering Services.

He has been driving the group wide Technology initiatives including Software Application Management, IT Infrastructure, Data Centers, DR and BCP, Call Centers, Customer Service Desks and also the Business Process Re-engineering initiatives across the Group's Entities. Mr. Nanda Kishore holds an Engineering degree in Electronics and Communications.

## Ram Yeleswarapu
President & Chief Executive Officer

Mr. Ram is the President and Chief Executive Officer of the Group. He is based at Princeton and provides comprehensive general management guidance to the Group. He is responsible for the operations and profitability of the Company.

He started his career with Tata Steel at Jamshedpur, prior to moving to the US, where he worked with large pharma companies like Merck, Parke-Davis and Amgen, across a range of business applications - from development to commercialization of drugs. Mr. Ram holds an Engineering degree from the Indian Institute of Technology, Chennai.

## D V Ravi
Director

Mr. Ravi is the Director and Co-Founder of the Company. His areas of work within TAKE are Corporate Strategy, Corporate Finance, Compliance and Governance. He has over two decades of experience in Strategic Planning, Business Process Re-engineering and Organization Change Management.

He is the Managing Director of Shriram Capital Limited which is the holding company of the Shriram Group. Prior to this, he has held various senior assignments in the Shriram Group including Investment Servicing, IT and Corporate Service. Mr. Ravi holds a Graduate Degree in Commerce and a Post Graduation in Management.

## S Sridharan
Managing Director

Mr. Sridharan is the Managing Director of TAKE Solutions and is responsible for its operations and profitability. He has been an entrepreneur right through his career and has over two decades of experience in the IT Industry across varied functional areas – Technology, Business Development and Strategic Planning. He is also presently the Convenor – IT/ITes Panel at CII. A very self motivated individual, he actively participates in various forums and seminars conducted by Industry bodies like NASSCOM, ICTACT, CII and others.

Mr. Sridharan was the brain behind Megatrends and Surf India - both of which developed into highly successful ventures. He was instrumental in the launch of iStartWeb in 2000 to create Intellectual Property oriented software, and thereafter successfully steered it through the whole lifecycle. Mr. Sridharan holds a BE degree in Electrical & Electronics Engineering.

# LETTER TO SHAREHOLDERS

Dear Shareholders,

We are pleased to present to you the performance of another successful year of your Company. We had a phenomenal financial year 2011-2012. **Continuing our growth momentum, we ended this year with an annual revenue growth of 42% (from INR 5,061 million to INR 7,188 million) and net profit for the year was INR 856 million, a 23% increase over FY 2011.** We have been striving to deliver consistent and superior returns to you. Looking back at how the business has been evolving over the last couple of years, we are confident of delivering similar results in the coming years too.

## Awards & Recognitions

Our consistent growth, innovative industry solutions and collaborative engagement model with stakeholders have been recognized worldwide. Some of the significant industry recognitions include recognition as a Leader in IDC MarketScape: Worldwide Life Science R&D IT Outsourcing 2011 and being featured in the 11th annual listing of Supply & Demand Chain Executive Magazine top 100. Your Company also received the corporate award for "Significant Contribution to SCM field" organized by the Indian Institute of Materials Management (IIMM), Chennai. Enabling business efficiencies for global customers using technology solutions, services and best practices have always been the driving force of your Company and today, it is proven from the Company's track record of consistent growth.

## Building an Institution

TAKE has 1250 employees globally and serves over 400 marquee customers worldwide. We believe our employees' knowledge and dedication to innovative technologies and processes make the difference in creating long-term partnership with our client. Your Company is also successfully assessed at the Maturity Level 5, CMMI® for Development (v 1.2) – Listed by Software Engineering Institute (SEI), Carnegie Mellon University which stands testimony to our performance. Quest, the Company's quality system, continues to evolve into a more robust enabler to deliver consistency and scale – providing TAKE the true pedigree of a leader. Your Company has achieved demonstrable success by adopting a process oriented and planned approach. With an eye towards expanding rapidly on a global basis and supporting the customer base with additional product and service offerings, your Company has strengthened its employee base with right talent and relevant expertise.

## Our work in Life Sciences (LS)

The pharma industry is going through a paradigm shift in drug development, as they look to reduce their R&D fixed costs by tactical and strategic outsourcing. To capitalize on this opportunity, we are looking at enhancing our capabilities by establishing Centers of Excellence and developing core expertise in Clinical, Regulatory and Safety Practices thereby striving to maximize value to our clients. Your company launched Trac-Easy, an innovative GS1 Enabled Track & Trace Solution for the pharma industry. It enables all stakeholders to efficiently and effectively comply with various local and global serialization requirements by ensuring interoperability and compatibility within an organization, between organizations and across borders.

IDC's research confirms that our commitment to enable customer successes by delivering domain expertise and business technology skills is strengthening our competitive edge. The key markets for our Life Sciences offerings have predominantly been in the US, Europe and India. Now, your Company is poised to enter the Middle East (ME) market with its flagship PharmaReady software to address the needs of the pharma industry especially with the advent of regulation in ME for electronic submissions of dossiers. We also see requirements in the safety space with these customers and believe this is going to provide us with additional growth momentum. We are well positioned with one of the top pharmaceutical companies to set off a large-scale association to support strategic functional outsourcing. This could be deemed as one of its kind in the

industry. We have a strong pipeline of such activities to support very healthy sales in the next fiscal year.

## Supply Chain Management (SCM)

Supply Chain Management business witnessed a strong demand for its collaboration solutions during the year. Clients are working towards simplifying their supply chain and responding faster to market volatility, collaboration and integration between their supply chain partners. The drive is for simple, smart and robust supply chains. Keeping this in mind, we continue to deliver solutions that challenge and transform how our customers use and benefit from supply chain technologies and remain dedicated to improving increasingly complex global supply chains.

The US and Middle East continue to be our major markets. We are focused on expanding into the Far East markets in 2013. The business services around the procure-to-pay processes have been getting good traction. The services we offer are sourcing, purchase management and engineering services. We have new products in the pipeline to augment the capabilities of our collaboration. Your Company will also be launching new offerings in the cloud computing platform.

## Deepening Customer Relationships

We also believe in keeping our customers informed on how innovative technologies and services can add value in a constantly changing marketplace. In its second year, CONVERGE 2011 which brings in leading experts and our customers together, attracted a cross-section of your Company's customer base of small-to-medium and Fortune 500 companies in the Life Sciences and Supply Chain domains. This event saw an opportunity for our customers to participate and network, build partnerships, meet with the global management team, and share best practices amongst peers.

## Conclusion

Growth and success of any business enterprise can only be possible because of its employees who put in constant efforts to rise to excellence. We would like to reiterate that TAKE's employees are its greatest asset and it is entirely due to their perseverance and commitment that your Company has been delivering superior growth and value creation every year. **We sincerely thank all our shareholders, business partners and our customers for the continued support and faith reposed in TAKE.** We would like to assure you that your Company would continue to remain committed in delivering strong growth and enhancing shareholder and customer value in every possible way we can. We also extend our gratitude to our Chairman, independent directors, advisory board, banks, suppliers, the TAKE family and reaffirm our commitment to continue to build a very unique and well differentiated organization.

**Thank you.**

**S Sridharan**
Managing Director

**Ram Yeleswarapu**
President & CEO

# COMPANY INFORMATION

## Board of Directors

### Independent Directors

Mr. N. Kumar, Chairman
Mr. S. Krishnamurthy
Mr. D. A. Prasanna
Prof. G. Raghuram
Mr. N. Rangachary
Mr. R. Sundara Rajan

### Non-Executive Directors

Mr. Srinivasan H. R., Vice-Chairman
Mr. N. S. Nanda Kishore
Mr. Ram Yeleswarapu
Mr. D. V. Ravi

### Managing Director

Mr. S. Sridharan

### Chief Financial Officer

Ms. N. S. Shobana

### Company Secretary (Compliance Officer)

Mr. P. Srinivasan

### Registered Office

8B, Adyar Club Gate Road,
Chennai – 600 028

### Statutory Auditors

Sundar, Srini & Sridhar, Chartered Accountants, Chennai

### Internal Auditors

KPMG, India
G. D. Apte, Chartered Accountants, Mumbai

### Bankers

Citibank N.A.
DBS Bank Limited
YES Bank Limited

## Committees of the Board

### Audit Committee

Mr. R. Sundara Rajan – Chairman
Mr. S. Krishnamurthy
Mr. D. A. Prasanna
Mr. D. V. Ravi

### Remuneration Committee & Compensation Committee

Mr. D. A. Prasanna – Chairman
Mr. D. V. Ravi
Mr. R. Sundara Rajan

### Shareholders/Investors Grievance – Cum – Share Transfer Committee

Mr. N. Kumar – Chairman
Mr. S. Sridharan
Mr. R. Sundara Rajan

### Acquisition and Investment Committee

Mr. N. Kumar – Chairman
Mr. D. V. Ravi
Mr. R. Sundara Rajan

### Banking and Borrowing Committee

Mr. D. V. Ravi – Chairman
Mr. S. Krishnamurthy
Mr. S. Sridharan

# DIRECTORS' REPORT

Your Directors have pleasure in presenting the ELEVENTH Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

## Financial Highlights:

### I. Consolidated Financial highlights of the Company and its Subsidiaries

(₹ in Millions except per share data)

| Year ended March 31 | 2012 | 2011 |
|---|---|---|
| Total Income | 7188.09 | 5063.05 |
| Total Expenditure | 5585.68 | 3969.39 |
| EBITDA | 1602.41 | 1093.66 |
| Depreciation & Amortization | 266.72 | 215.77 |
| Profit / (Loss) Before Int & Tax | 1335.69 | 877.89 |
| Finance Cost | 182.82 | 77.42 |
| Provision for Taxation | 211.28 | 64.96 |
| Minority Interest | 85.80 | 35.57 |
| Profit / (Loss) After Tax (after Minority Interest) | 855.79 | 699.94 |
| Earnings Per Share | 7.13 | 5.83 |
| Equity Shares ( in numbers) | 122,400,000 | 122,400,000 |

On a Consolidated basis, your Company achieved a Revenue of ₹ 7188.09 Million for the Financial Year ended March 31, 2012 compared to Rs 5,063.05 Million during the previous Financial Year. This resulted in an increase in Net Profit by 22% to ₹ 855.79 .Million.

### II. Standalone Financial highlights of the Company:

(₹ in Millions except per share data)

| Year ended March 31 | 2012 | 2011 |
|---|---|---|
| Total Income | 766.19 | 639.02 |
| Total Expenditure | 254.40 | 271.80 |
| EBITDA | 511.79 | 367.22 |
| Depreciation & Amortization | 45.34 | 56.32 |
| Profit / (Loss) Before Int & Tax | 466.45 | 310.90 |
| Finance Cost | 79.62 | 42.84 |
| Provision for Taxation | 36.13 | 34.36 |
| Profit / (Loss) After Tax | 350.70 | 233.70 |
| Earnings Per Share | 2.92 | 1.95 |
| Equity Shares ( in numbers) | 122,400,000 | 122,400,000 |

For the financial year ended March 31, 2012, your Company achieved a gross income of ₹ 766.19 Million. The Company recorded a net profit of ₹ 350.70 Million for the financial year.

## Dividend

Your Directors have pleasure in recommending a dividend of 100% (₹ 1/- per Equity share of ₹ 1 each) for the year ended 31st March 2012, subject to the approval of the shareholders at the ensuing Annual General Meeting.

The total cash outflow on account of eq uity dividend payout, including dividend distribution tax, will be ₹139.49 Million (FY2011 ₹ 139.96 Million) including payment to ESOP Trust.

The register of members and share transfer books will remain closed from Sep 1, 2012 to Sep 7, 2012, both days inclusive. The Annual General Meeting has been scheduled for September 7, 2012.

## Abridged Accounts

SEBI has vide its Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated 26.4.2007 permitted listed Companies to send an Abridged Financial Statement to the shareholders in line with the requirement stipulated under Section 219 (1)(b)(iv) of the Companies Act, 1956. Accordingly, an abridged Standalone Financial Statement is sent to the shareholders of the Company. Any shareholder interested in having a copy of the complete and full Financial Statements, may write to the Company Secretary at the Registered Office of the Company. The detailed Balance Sheet and Profit & Loss Account will be available for inspection at the Registered Office of the Company during working hours of the Company and is also posted in the Company's website (www.takesolutions.com).

## Green Initiative In Corporate Governance

The Ministry of Corporate Affairs (MCA) has through Circular No.17/2011 pronounced a Green initiative in Corporate Governance that allows Companies to send notices/documents to shareholders electronically. The Green initiative endeavours to reduce consumption of paper, in turn preventing deforestation and contributes towards a green and clean environment. In support of the initiative announced by MCA, your Company had sent documents such as Notice convening Annual General Meeting, Audited Financial Statement, Directors' Report, Auditors' Report, etc. in electronic form during the last Financial Year. Your Company would like to continue the green initiative for this year also and request all the shareholders to opt for electronic documents.

## Holding Company

TAKE Solutions Pte Ltd, Singapore, the Holding Company continues to retain substantial equity in your Company and the present Equity Holding is at 57.89%.

## Subsidiary Companies

During the year, the Group underwent an internal restructuring bringing all its International Subsidiaries under TAKE Solutions Global Holdings Pte Ltd Singapore, the Company's Wholly Owned Subsidiary. Towards this, the Company has divested its entire holdings of 507,909 equity shares of RO 1 each of TOWELL TAKE Investments LLC, Muscat and 11,400,000 equity shares of USD 1/- each of TAKE Solutions Inc. USA to TAKE Solutions Global Holdings Pte Ltd Singapore. Further, TAKE Business Cloud Private Limited, a Wholly Owned Subsidiary of the Company also divested its entire holding of 13,15,730 equity shares of SGD 1 each in TAKE Solutions Information Systems Pte Ltd, Singapore and 21,000,000 equity shares of USD 1 each in TAKE Solutions Inc., USA to TAKE Solutions Global Holdings Pte Ltd Singapore. This restructuring will have no impact on the Standalone and Consolidated Financial Statements of the Company, since the transfer is made within the Group.

## Overseas & Indian Subsidiaries:-

### Subsidiaries

TAKE Solutions Global Holdings Pte Ltd, Singapore

TAKE Solutions Global LLP, India

TAKE Business Cloud Private Limited, India

APA Engineering Private Limited, India

# DIRECTORS' REPORT

## Step Down Subsidiaries

TAKE Solutions Inc, USA

Applied Clinical Intelligence LLC., USA

TAKE Enterprises Services Inc., U.S.A.

TAKE Intellectual Properties Management Inc., U.S.A.

TAKE Supply ChainDeMexicoS De RI De CV, Mexico

TAKE Solutions Information Systems Pte Ltd., Singapore

CMNK Computer Systems Pte Ltd., Singapore

TAKE Global Limited, UK

WCI Consulting Group Limited, UK

WCI Consulting Limited, UK

WCI Consulting Limited, USA

Towell TAKE Investments LLC, Oman.

Towell TAKE Solutions LLC., Oman

TAKE Solutions MEA Ltd., UAE

Mirnah Technologies Systems Limited, Saudi Arabia

RPC Power India Private Limited, India (by virtue of control over composition of Board of Directors)

Million Star Technologies Ltd, Mauritius

TAKE 10 Solutions Private Limited, India

## Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. These together with the Auditors' Report thereon form part of the Annual Report.

## Subsidiary Accounts

In accordance with the General Circular No.2/2011 dt. 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. The consolidated Balance Sheet of the Company shall include the financial information for each Subsidiary. The audited accounts of the Subsidiary companies are also kept for inspection by any member at the Company's Registered Office and copies will be made available on request to the members.

## Corporate Governance

The Company adheres to the code of Corporate Governance as set out by the Securities and Exchange Board of India (SEBI). In line with this, a report on Corporate Governance, along with a certificate from the Statutory Auditors has been included in the Annual Report, detailing the compliances of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the stock exchanges.

## Secretarial Audit

As a measure of good corporate governance practice, the Company appointed Mr.M.Alagar, Practicing Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2012, is provided in the Annual Report. The secretarial audit report confirms that the Company is in compliance with all the applicable provisions of the Companies Act, 1956, Listing Agreements with the stock exchanges, Depositories Act,1996 and all the guidelines and regulations of the Securities and Exchange Board of India(SEBI).

## Management's Discussion And Analysis Report

Management's Discussion and Analysis Report for the year under review, as per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges is presented separately, which forms part of the Annual Report.

## Directors

### Appointment of Director

During the Financial Year Mr. N. S. Nandakishore was appointed as an Additional Director of the Company with effect from February 3, 2012. He shall hold office up to the date of the ensuing Annual General Meeting of the Company. Taking into consideration his knowledge and experience, the Board commends his appointment as Director of the Company. Members' approval for his appointment as Director has been sought in the Notice convening the Annual General Meeting of the Company.

### Directors retiring by rotation

Mr. D.A. Prasanna, Mr. N. Rangachary and Mr. S. Krishnamurthy, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### Resignation of Director

Mr. Bala Latupalli, Director of the Company resigned from the Board with effect from 3rd February, 2012. The Board places on record its appreciation for the contribution made by Mr. Bala Latupalli for the success of the Company.

## Fixed Deposits

The Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

## Auditors

The Auditors of the Company, M/s. Sundar, Srini & Sridhar, Chartered Accountants hold office till the conclusion of the Eleventh Annual General Meeting and being eligible offer themselves for reappointment.

## Internal Audit

During the Financial Year, your Company had engaged the services of KPMG India Private Limited, Chennai and M/s G.D. Apte, Chartered Accountants, Mumbai as Internal Auditors to carry out internal audit on a regular basis. The reports of the Internal Auditors along with comments from the Management are placed for review before the Audit Committee. The Audit Committee also scrutinizes the audit plan and the adequacy of the internal audits.

## Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, regarding the names and other particulars of employees are required to be set out in the annexure to this report. However, as per the provisions of Section 219(1)(b) of the Act, the Report and Accounts of the Company sent to the shareholders do not contain the said annexure. Any shareholder desirous of obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

## Employee Stock Options Scheme

In accordance with the SEBI (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the excess of the market price of the underlying equity shares as of date of the grant over the exercise price of the option, including upfront payments, if any, is to be recognized and amortized on a straight line basis over the vesting period.

# DIRECTORS' REPORT

Your Company has adopted intrinsic method of accounting to compute employees' compensation cost. According to intrinsic method of accounting, the employees compensation cost is ₹ 614,230/-. If the compensation cost was computed using the fair value method of accounting, the compensation cost would have been at ₹ 40,34,610/- for the financial year 2011-12 and our profit would hence be reduced by ₹ 3,420,380/- The impact on EPS for financial year 2011-12 would be 0.02 and for diluted EPS by 0.02.

The details of options granted under ESOP 2007 are as follows:

| Sl.No | ESOS 2007 | Tranche 1 | Tranche 2 |
|---|---|---|---|
| 01 | Grant Date | 02/04/2008 | 26/05/2008 |
| 02 | Options granted and outstanding at the beginning of the year | 208,750 | 312,500 |
| 03 | Grant Price - ₹ | 73 per share/ option | 73 per share/ option |
| 04 | Options Exercised | – | – |
| 05 | Money realized on exercise of option | – | – |
| 06 | Total number of shares arising as a result of exercise of options | – | – |
| 07 | Options Lapsed / Surrendered | – | 220,000 |
| 08 | Options granted and outstanding at the end of the year of which | | |
| | - Option vested | 208,750 | 92,500 |
| | - Option yet to vest | – | – |
| 09 | Variation of terms of options | – | – |
| 10 | Grant to Senior Management | – | – |
| 11 | Employees receiving 5% + of the total number of options granted during the year | – | – |
| 12 | Employees granted options equal to or exceeding 1% of the issued capital | – | – |
| 13 | Employees Compensation Cost using Intrinsic Method of Accounting | 614,230 | |
| 14 | Employees Compensation Cost using Fair Value method of accounting | 4,034,610 | |

**Methods and significant assumptions used to estimate fair value of options:**

| | ESOS 2007 | |
|---|---|---|
| **Particulars** | **Tranche 1** | **Tranche 2** |
| Exercise/Issue Price at the time of grant (in ₹)* | 730 | 730 |
| Market Price at the time of grant (In ₹) | 820.05 | 692.9 |
| Expected Life | 1 to 3 | 1 to 3 |
| Risk Free Rate | 5.19% | 5.19% |
| Expected Volatility | 15.50% | 16.93% |
| Expected Dividend Yield | 0.24% | 0.29% |

* The face value of the Equity Shares at the time of grant was ₹10 per share. Subsequently it was sub divided from ₹10 to ₹ 1 per Share.

## Conservation Of Energy, Research And Development, Technology Absorption, Foreign Exchange Earnings And Outgo

There are no particulars to be disclosed under Companies (Disclosures of particulars in the report of Directors) Rules 1988 in regard to conservation of energy, technology absorption.

## Foreign Exchange Earnings And Outgo

Total Foreign Exchange earned and used on cash basis

Forex Earned:

₹ 114.69 Mn (11-12) & ₹ 69.56 Mn (10-11)

Forex Used:

₹ 42.67 Mn (11-12) & ₹ 24.97 Mn (10-11)

An amount of ₹ 70.86 Mn (₹ 13.98 Mn) was remitted during the year in foreign currencies on account of payment of final dividend for the year 2010-11

# DIRECTORS' REPORT

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

1 That in the preparation of the annual accounts, the relevant applicable Accounting Standards have been followed and no material departures have been made from the same.

2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year.

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. That the Directors have prepared the annual accounts on a going concern basis.

### ACKNOWLEDGEMENT

We thank our clients, shareholders, investors, vendors and bankers for their continuous support to the Company during the year. Your Directors express their gratitude for the support extended by the various departments of the Government of India, particularly the Software Technology Parks of India, the Tax authorities, the Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges and others and look forward to their support in all future endeavors.

Your Directors appreciate and value the contributions made by TAKEsters for the growth of the Company.

By Order of the Board

Place : Chennai
Date : May 26, 2012

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

# MANAGEMENT'S DISCUSSION & ANALYSIS

*This Management's Discussion and Analysis contains certain "forward-looking statements" concerning our future operations, prospects, strategies, financial condition, future economic performance (including growth and earnings), demand for our products and services and other statements of our plans, beliefs, expectations etc. These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "target", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", "can", "could", "may", "should", "would" or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward looking. The forward-looking statements we make are not guarantees of future performance and are subject to various assumptions, risks and other factors that could cause actual results to differ materially from those suggested by these forward-looking statements. These factors include, among others, those set forth below. Forward-looking statements that we make or that are made by others on our behalf are based on knowledge of our business and the environment in which we operate. We cannot assure you that the results or developments anticipated by us will be realized or, even if substantially realized, that they would have the expected consequences to or effects on us or on our business or operations.*

## BUSINESS OVERVIEW

## LIFE SCIENCES

### Industry Overview

The global pharmaceutical industry continued to grow in 2011. According to an advisory firm, Decision Resources' Pharmaview Suite, global pharmaceutical sales grew year-over-year by a respectable 5.3% to reach $707 billion, compared with 3.6% year-over-year growth in 2010. Furthermore, over the next seven years, the global pharmaceutical market is expected to grow and reach $817 billion in 2018.

In line with the growth in the sales of pharmaceutical companies, spend on research and development also grew in 2011 to US$ 135 billion and expected to further increase in long term. According to EvaluatePharma's World Preview 2018, global pharmaceutical R&D spend forecast to grow to $149bn in 2018.

**Worldwide R&D Spend by Pharma & Biotech Companies (2008-2018)**

| in USD billion | 2008 | 2010 | 2012 | 2014 | 2016 | 2018 |
|---|---|---|---|---|---|---|
| Pharma R&D Spend | 130.9 | 128.3 | 134.2 | 138.4 | 143.8 | 149.4 |

However, the pharmaceutical industry continued to experience unprecedented challenges around growth and profitability, which in turn translated to cost pressures in order to preserve margins. The pharmaceutical industry faced challenges from the weak global economy, continuous downward pressure on drug prices due to increased generics and increased regulatory scrutiny over ethical and business practices-driving development and regulatory costs sky high. Cost control measures had been employed to counter these problems along with addressing the demand for innovative medicines.

The principal force driving this need for change is the unprecedented number of market-leading drugs facing patent expirations. Between 2009 and 2014, branded drugs with revenues amounting to $78 billion will lose market exclusivity. With so many blockbuster drugs going off-patent, the imperative for companies is to replace them with similar high-earning products in order to sustain both rising research and development (R&D) costs and market and shareholder expectations. However, the shortage of suitable replacements in the pipeline together with declining productivity exacerbates the challenges faced by the biopharmaceutical industry.

### Challenges and Solutions

Moving into a new decade, pharmaceutical companies acknowledge that adopting new business models could provide them with long-term solutions to their problems, offering much more than a glimmer of hope for the future. Fundamental to the future success of the industry is the need to improve on the return on R&D investment. This will require a shift from the integrated in-house model of R&D to models that embrace external innovation from creative alliances and outsourcing-the virtualization of R&D and need to be supported by enabling IT, predicting that IT-empowered data/knowledge management will drive efficiencies and facilitate the much-needed push for continued innovation that remains elusive.

A consequence of the drive to increase productivity that is affecting biopharmaceutical companies, research organizations and academic centers alike is the tremendous volume of data that is generated and processed. The challenge is how to manage effectively these increasingly large volume of data. Current bandwidth limitations affect the ability to move large volume of data and data types, such as electronic data capture (EDC) and electronic patient-reported outcome (ePRO) data, laboratory data, trial supply information and medical images, across global networks. However, this situation is generally improving across the world, almost on a weekly basis. Another important challenge relates to data governance, or data providence-ensuring that only the appropriate people can access and share these data across different companies or entities is critical. This is one of the largest challenges for the industry. Providing a good solid audit trail across several networks also presents a significant challenge. Finally, there is the issue of data integration. To be able to share data effectively and leverage vast information sources, semantic tools will be required to make sense of all of the data relationships. The utilization of such tools will certainly need open standards, such as those being developed by Health Level Seven (HL7) and the Clinical Data Interchange Standards Consortium (CDISC) projects.

With the increasing globalization and virtualization of R&D through outsourcing and offshoring, effective innovation can be achieved only with effective knowledge and technology transfer. The constraints of geographic distance and dispersed organizational structure can be overcome by the strategic deployment of IT resources. Traditionally, data have been locked in silos and enterprise-wide IT resources underutilized. However, efficient management of disparate data sources, from data integration to the mobilization of information across various projects, will facilitate decision-making. As the data sets to grow in size and thus value, semantic data management, reporting and analysis tools together with advances in processing power could translate to a leaner, more efficient pipeline. Increased speed and the time savings in processes can translate to cost savings-if the go/no-go decisions are made more quickly across the sequential elements of the R&D pipeline, the overall pipeline will benefit from less costly failures in later phase II/III development.

Pharma companies are outsourcing a considerable amount of clinical work, including site monitoring; and analytical services like data management and study statistics. Strategic outsourcing now focuses on technology services as well. Technical services in laboratories and medical imaging are crucial for the clinical part, but the increase of "eClinical" trial management has called for outsourcing services in ePRO, IVRS and other technologies.

### TAKE's Life Sciences Offerings

Now over eleven years, TAKE is working with its customers as a strategic partner, focused on providing solutions and knowledge services in the field of clinical data operations, regulatory operations and safety operations.

TAKE's data aggregation and clinical data warehouse tools allow the rapid consolidation of data from multiple sources into a single environment where they can be analyzed, visualized, and reported. The flexibility offered by clinical data warehouse tool is supported

by strong identity management tools that allow for secure sharing of data across networks and between internal and external users and enable collaborative development. These tools allow data to be integrated, aggregated and processed more efficiently. Another benefit is the layering of business intelligence and analytic tools that allow much more efficient, earlier and stronger testing of hypotheses, which in turn translate into more informed decisions.

### Clinical

**Implementation strategies for the clinical data lifecycle**

- Data Management
- Data Standardization
- Biostatistics & SAS Programming
- Clinical Information Systems

### Regulatory

**Enabling compliance with electronic document processing**

- Electronic Submission
- Electronic Trial Master File Management
- Pharmaceutical Validation
- Regulatory Compliance Systems

### Safety

**Scalable safety solutions**

- Pharmacovigilance Strategy
- Pharmacovigilance Systems Strategy
- Safety & Pharmacovigilance Systems
- Safety Business Services

### Commercialization

**A singular point of view**

- Marketing & Sales
- Supply Chain Management

In FY12 we capitalized on the opportunities as our customers looked to transform their clinical development efforts by using our solutions and services to counter mounting cost pressures and increased regulatory scrutiny.

The FY12 was a year of strengthening our presence at the existing clients. During the year, our focus on mining our existing clients enabled us to enhance our footprint within the existing client base. In the Life Sciences business, our focus and steady investments in people, process and technology within the Clinical, Regulatory and Safety functional areas of Life Sciences enabled us to win a significant multi-year project with a global pharmaceutical major in Q4 FY12. Competing against large players, TAKE won this project because of our deep and broad domain expertise, our regulatory compliant and scalable infrastructure in Chennai, our best practices, people, and our flexibility to work with the pharmaceutical major as a true partner.

Having secured market leadership and dominance within the regulatory operations technology space for Indian pharmaceutical companies, TAKE is avidly eyeing the developments in the Middle East region. With our local presence in several Middle East countries including Saudi Arabia, Oman and UAE and the local regulatory authorities having mandated a timeline for electronic submissions of dossiers, TAKE is uniquely poised with its PharmaReady software to address the needs.

As we approached the end of FY12, Europe started showing some signs of recovery for our LS business. However, it will be premature to come to a conclusion. We are keeping a close watch on the developments in the region.

## Industry Recognition

TAKE's domain expertise in the Life Sciences was recognized by industry experts. TAKE received a "Leader" rating in IDC Health Insights' MarketScape: Worldwide Life Sciences R&D IT Outsourcing Report 2011 Vendor Assessment. The "leader" category is the report's highest ranking.

The IDC Health Insights study assesses industry-specific offerings and experience, deployment flexibility, strength and responsiveness to project challenges and long-term vendor growth strategies. Evaluation is based on a comprehensive framework and set of parameters expected to be conducive to a success in life sciences R&D IT outsourcing services and emerging growth in both the short-term and long-term.

According to IDC:

- "TAKE has built a strong list of clients, based on its deep domain knowledge, willingness to engage customers as partners, IP-based solutions and thought leadership in clinical, regulatory, drug safety and other life science areas"
- "TAKE's diverse customer base, broad services portfolio, strong commitment to life science industry-specific growth, domain-centric expertise and strong customer relationships make TAKE a fierce competitor in winning projects that the company competes for".

## SUPPLY CHAIN MANAGEMENT

According to Gartner Inc., the worldwide supply chain management (SCM) software market totaled $7.7 billion in 2011, a 12.3 percent increase from 2010. It was the second year of double-digit growth for the SCM software market as supply chain investments kept their priority status and moved forward, despite caution from IT budget decision makers.

Over the period of time it has become obvious that, slowly and steadily, investment in software system is increasing. This has not been limited to one facet of the business and reflects a positive change from the lower spending observed by the survey in 2009 and 2010. Companies see value in making supply chain processes as efficient as possible and they are responding to that revelation with increased spending.

Supply Chain Management business witnessed a strong demand for its collaboration solutions during the year as the clients are working towards simplifying the supply chain and respond to the market volatility, collaboration and integration between supply chain partners. This is the means by which customers are restoring stability to the operations. The drive is for simple, smart and robust supply chains.

### TAKE's Supply Chain Management offerings

**Enterprise Mobility and WMS**

**Enabling Efficient Data collection and Guided Operations**

- Oracle Data Collection and Warehouse Automation
- Mobile Sales & Route Delivery
- Barcode & RFID Management and Compliance

**Supply Chain Collaboration**

**Streamlining Collaborative Business Process Orchestration**

- Demand Collaboration
- Purchasing Collaboration
- Contract Manufacturing Collaboration
- 3PL and Drop Ship Collaboration

# MANAGEMENT'S DISCUSSION & ANALYSIS

- Vendor Managed Inventory
- Quality Collaboration
- E-Invoice & AP Automation
- Ship Confirmation Collaboration
- Request for Quote Collaboration
- Returns Management
- Supplier Collaboration Analytics

**Professional Services**

**Delivering a Powerful Combination of Industry and Technology Expertise**

- Oracle MSCA and WMS Implementation
- Supplier Onboarding/Enablement
- Oracle Advanced Supply Chain Planning

In FY12, all of our SCM clients, which upgraded to the new version of Oracle ERP retained our collaboration offering, Gemini, which is highly satisfying as this will lead to further long term relationship with the existing clients

The demand in the US market was stable during the year. However, the delayed decision making is leading to longer sales cycle.

The Middle East region continued to perform well with no impact of the prevailing global economic uncertainty. In the Middle East Asia region, the governments are encouraging cloud applications for SME adoptions, which we expect to be augur well for the company as with our existing SaaS based offering, OneSCM, we plan to expand our offerings on the cloud.

TAKE has started offering cost effective cloud based business solutions to both SMBs and large enterprises in India and markets in the Middle East Asia, with global expansion plans. TAKE Solutions focuses on segments including Supply Chain, Manufacturing, Distribution, Logistics, Retail; Life Sciences - Pharma, Healthcare; IT/ ITES and Business Services. The cloud based offerings are expected to gain market share in the years to come. According to IDC, by 2015, about 24% of all new business software purchases will be of service-enabled software with SaaS delivery being 13.1% of worldwide software spending. IDC further predicts that 14.4% of applications spending will be SaaS-based in the same time period.

## SCM Business Services

Over the last 3 years, TAKE has been actively mining its SCM client base of over 250 clients for providing SCM business services. We are well placed to take advantage of the opportunities available in SCM business services due to our intense domain expertise in the Supply Chain industry for over 10 years. Our focus areas have been sourcing, purchase management and engineering services.

Our SCM sourcing and purchase management business services offerings are focused on business transformation, helping the clients to change existing procurement practices by using best-practices business processes and leading technology; core business application solutions, to help clients improve business efficiency; and finally enterprise integration, which help the clients to reduce costs and increase productivity.

Engineering services is a high potential sector and provides growth opportunities in Auto, Aerospace, Construction & Industrial Machinery, Hi-Tech and other industries. The global engineering services is USD 560 billion market. The Hi-tech and Auto segment account for almost 60% of the market. Design & Analysis activity account for 42% of the market followed by Validation, Monitor & Maintenance and Custom Software with 23% market share; Concept generation account only for 12% of market.

TAKE's Engineering Services business executes various large scale global engineering projects for customers across the globe. Our end to end Engineering Services include Product Design and Development, Reverse Engineering, Value Engineering, Process Development, Tool Engineering, IMDS Services etc.

## PRODUCT DEVELOPMENT

TAKE focused its development efforts on developing new products, adding new functionality to existing solutions, integrating our various solution offerings, enhancing the operability of our solutions across our Supply Chain Management (SCM) and Life Sciences (LS) offerings and across distributed and alternative hardware platforms, operating systems and database systems. We believe that our future success depends, in part, on our ability to continue to enhance existing solutions, to respond to dynamically changing customer requirements and to develop new or enhanced solutions that incorporate new technological developments and emerging supply chain and Life Sciences industry standards. To that end, development frequently focuses on base system enhancements and incorporating new user requirements and features into our solutions. As a result, we deliver packaged, highly configurable solutions with increasingly rich functionality rather than custom-developed software.

We leverage internal and external scientific advisors to inform our solution strategies and research and development approaches with the most advanced thinking on Supply Chain and Life Sciences opportunities, challenges and technologies. Our internal research team is comprised of Ph.D.-credentialed math and science experts who work on creating and solving algorithms and other constructs that advance the optimization capabilities and other aspects of our solutions.

Our Advisory Board also brings in a rich experience in the field of Life Sciences R&D IT, which enables the company to develop innovative and market-advancing ways.

## New offerings

- **Launched Gemini R12.0c**, an upgrade for process and discrete manufacturers to automatically collect data using radio-frequency (RF) devices to increase the availability of information on receiving, shipping, manufacturing and inventory activity as it happens. In the new release, transactions to automate batch manufacturing, quality sampling and lot traceability have been specifically developed to meet the needs of process manufacturers, ensuring speed and accuracy on the shop floor.
- **Launched the extension of our SCM data collection services** with a dedicated Enterprise Mobility practice for Oracle E-Business Suite customers. The practice delivers Supply Chain mobility expertise coupled with the ability to accelerate business processes to help speed implementations of Oracle Warehouse Management and Oracle Mobile Supply Chain Applications without expensive customizations.
- **Enhanced our LS Safety and Pharmacovigilance services** with the launch of SafetyReady for Oracle customers. The solution helps accelerate implementation for life sciences organizations looking to jumpstart Safety & Pharmacovigilance adoption efforts and operations planning in as little as five weeks. For small to medium-sized businesses with limited resources and staff constraints, TAKE offers SafetyReady Cloud, an on-demand option that provides easy deployment and maintenance of critical applications. TAKE's SafetyReady suite also includes SafetyReady Upgrade and SafetyReady Migrate, modules to ease upgrades and migration to Oracle Argus Safety Suite. TAKE has leveraged the Safety & Pharmacovigilance functional expertise acquired through its subsidiary WCI Consulting, and has also developed tools and accelerators that will speed up the implementation process, reducing the cost while delivering quality.

- **Launched PharmaReady™ 5.0**, a web-based regulatory compliance solution suite for Life Science organizations to ensure faster approvals for their new products. The latest version introduces new document management features and delivers technology framework upgrades to enhance scalability, response time and ease-of-use. PharmaReady 5.0 supports submissions to Swissmedic (in addition to US FDA, Health Canada and EMEA).
- **Launched OneSCM 7.1,** a multi-enterprise online collaboration suite for trading partners to manage supply chain operations. The latest version introduces a mobile applications framework that integrates with smartphones and tablets for immediate data access, sharing, and transaction activity in real-time. OneSCM 7.1 supports both .NET and Java architectures, and is now available via a full range of delivery models: on-premise, hosted, software-as-a-service (SaaS) or hybrid. The new mobile applications framework leverages .NET mobile controls to extend OneSCM collaboration applications on multiple mobile platforms (tablets, smartphones) making applications fully compatible with mobile operating systems (Android, Windows Mobile, RIM and iOS) to better support customer supply chain activities at the work site or on-the-go-saving time, reducing errors, and allowing for quicker response times. Tasks such as processing work orders and checking an invoice status can be done remotely and securely, at any time.
- **TAKE released Xtended Process Control (X.PC) 5.8** supplier relationship management software. The enhanced version advances purchasing cycles by offering new vendor-managed inventory and visibility features that provide external suppliers full-visibility into inventory levels across warehouses and external depots. As a result, suppliers are able to automatically manage and replenish materials to reduce inventory overage and ascertain products are received on time, thus lowering procurement costs, ensuring product availability, and improving efficiency.

## PARTNERSHIPS

TAKE Solutions continues to identify, establish and nurture strategic alliances with a focus on creating more innovative solutions and revenue growth in the life sciences and supply chain marketplaces. As part of this strategy TAKE has established partnerships with some of the top global software vendors. The following information summarizes the nature of our relationships and some recent developments and updates in our ongoing efforts to build further value for our customers and prospects.

### Oracle

TAKE Solutions continues to strengthen its Gold Partnership Status with Oracle. As a preferred partner, we showcased our solutions and services at the Oracle exhibition booth during the recent Drug Information Association (DIA) Annual conference in Philadelphia, USA. TAKE Solutions has collaborated with Oracle to jointly market and sell the SafetyReady™ Suite. This initiative will enable TAKE Solutions to be a preferred provider of services to Oracle's Argus safety products including Argus Safety Hosting and functional services, which currently targets small to mid-tier life sciences organizations.

### Microsoft

TAKE Solutions has been a Gold partner to Microsoft for over a decade. We currently are looking to diversify the partnership status as we work with Microsoft Life Sciences team to come up with a strategy and roadmap for innovative solutions and services to address unmet industry needs in Content Management and Collaboration. TAKE Solutions will also look to achieve specialization in other competencies with SharePoint in Content management, Portals and collaboration, Software Development and Mobility. We would also like to be recognized as an "Impact" partner in Life Sciences. TAKE's PharmaReady™ solution, built on Microsoft SharePoint platform continues to evolve catering to mainly small to mid-sized life sciences organizations.

### SAP

There has been a renewed focus on TAKE Solutions' partnership with SAP in the Business Intelligence space. As part of this endeavor, we have just accomplished the Silver status as a "PartnerEdge" VAR partner of SAP. This was accomplished through a series of certifications prior to the SAP audit. TAKE also continues to evaluate expanding the partnership into Mobility and also leverage SAP's Build & Sell model for partners.

### QlikView

TAKE Solutions is preparing to move from Implementation & Referral partner to a Solution Provider with QlikView. As part of this effort we have launched various Marketing & Sales initiatives to sell various solutions developed by TAKE on QlikView platform. We have also obtained access to their QlikMarket initiative. This will enable us to submit TAKE's solutions, targeting life sciences customer requirements in Drug Safety and Sales & Marketing requirements.

TAKE Solutions is also in the process of evaluating other strategic partnerships in the Content Management, Business Intelligence and e-Clinical areas to better serve our customers.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## DISCUSSIONS ON CONSOLIDATED FINANCIAL RESULTS

Financial year ended March 31, 2012 (FY12) saw the Earnings per Share of TAKE Solutions Ltd grow 22% over the previous year (FY11), from ₹ 5.83 to ₹ 7.13 per share.

The following table gives an overview of the financial results of TAKE Solutions Group.

TAKE Solutions' Operating Income grew 41% in ` terms over FY 11 Revenue, while Total Income grew 42% over the same period last year. In constant dollar terms, Operating Revenue grew at 34%.

Our Revenues have grown at a Compound Annual Growth Rate (CAGR) of 32% over the last 5 years, while EBITDA and Net Profit have grown 28% and 22% respectively during the same period.

(Figs in INR Mn)

| Particulars | FY 2012 | | FY 2011 | |
|---|---|---|---|---|
| | Amount (₹ Mn) | % of Total Income | Amount (₹ Mn) | % of Total Income |
| Revenues | 7,037 | 98% | 5,003 | 99% |
| Other Income | 151 | 2% | 60 | 1% |
| **TOTAL INCOME** | **7,188** | **100%** | **5,063** | **100%** |
| Cost of Sales | 4,269 | 59% | 3,066 | 61% |
| Administration and other Expenses | 1,316 | 18% | 904 | 18% |
| Finance Expenses | 183 | 3% | 77 | 1% |
| Depreciation | 79 | 1% | 48 | 1% |
| Amortisation of capitalised Software costs | 188 | 3% | 168 | 3% |
| **Total Expenditure** | **6,035** | **84%** | **4,263** | **84%** |
| Profit Before Tax (PBT) | 1,153 | 16% | 800 | 16% |
| Provision For Tax | 211 | 3% | 65 | 1% |
| Minority Interest | 86 | 1% | 35 | 1% |
| **Profit After Tax (PAT)** | **856** | **12%** | **700** | **14%** |

## REVENUE ANALYSIS

### Revenue by Vertical

| Revenue by Vertical | | | |
|---|---|---|---|
| **Particulars** | **FY 2012 (₹ Mn)** | **FY 2011 (₹ Mn)** | **% Change** |
| SCM | 3,163 | 2,455 | 29% |
| Life Sciences | 3,666 | 2,384 | 54% |
| Others | 359 | 224 | 60% |
| **Total Revenue** | **7,188** | **5,063** | **42%** |

The financial year ended March 31, 2012 saw Revenues from Supply Chain Management grow by ` 708 Mn from ` 2,455 Mn to ` 3,163 Mn, representing a 29% growth year on year.

There has been significant contribution from the Middle East market, which had witnessed some softness in demand during the previous period due to political unrest. Over the last 5 years, the Supply Chain vertical has recorded a CAGR of 30%

The Life Sciences segment, has witnessed Revenues growth at a CAGR of 35% over the last 5 years and it grew by 54% in FY 12. Life Sciences Revenue for FY 12 aggregated to ₹ 3,666 Mn including a 16% contribution by WCI, acquired in the last quarter of FY 11. The acquisition of WCI in the last quarter of FY 11 had added 4% to the Life Sciences Revenues last year

### Revenue by Geography

| Revenue by Geography | | | |
|---|---|---|---|
| **Particulars** | **FY 2012 (₹ Mn)** | **FY 2011 (₹ Mn)** | **% Change** |
| Asia | 2,228 | 1,671 | 33% |
| United States | 4,528 | 3,291 | 38% |
| Europe | 432 | 101 | 328% |
| **Total Revenues** | **7,188** | **5,063** | **42%** |

# MANAGEMENT'S DISCUSSION & ANALYSIS

Asiapac revenue grew by 33% during the year from ₹ 1,671 Mn in FY 11 to ₹ 2,228 Mn in FY 12, on the wings of robust performance in the Middle East and significant contribution from the Far East too. In terms of percentage contribution to total revenue, Asia contributed 31% of the revenue this year compared to 33% in FY11.

USA contributed ₹ 4,528 Mn in Revenue during the year compared to ₹ 3,291 last year, an increase of 38% year on year. This amounts to 63% of the total revenue of FY 12 compared to 65% in FY 11.

The share of Europe to total revenue increased from 2% to 6% in FY12, which is also impacting the Revenue expressed as % of total Revenue of other geographies. During the year, Revenues from Europe aggregated ₹ 432 Mn. WCI acquired during the last quarter of FY 11, has shown encouraging upward trend towards the end of FY 12.

Over the last 5 years, US have growth at a CAGR of 39%, while Asia has grown at 18%

### Customer Concentration

Top 10 customers contributed to 31% of the total revenue in FY 12, marginally higher than 30% reported in the previous year, 16% from SCM vertical and 15% from LS vertical.

## COST ANALYSIS

### Cost of Sales

Cost of Sales primarily comprises of Salary and Other Employee Compensation costs and Other Direct Expenses necessary for the delivery of contracted services.

Total Cost has increased from ₹ 4,262 Mn in FY 11 to ₹ 6,035 Mn in FY 12, in consonance with the growth in revenue. In terms of % of revenue, there is an increase of 100 bps over the year, mainly on account of increased SG&A expenses required to sustain business growth, with all other elements being stable.

**Cost of Sales in ₹ Mn & as % of Revenue**

| Particulars | FY 2012 | | FY 2011 | |
|---|---|---|---|---|
| | Amount | % of Revenue | Amount | % of Revenue |
| Employee Costs | 1,820 | 26% | 1,389 | 28% |
| Other Direct Costs | 2,449 | 35% | 1,677 | 34% |
| **TOTAL DIRECT COST** | **4,269** | **61%** | **3,066** | **61%** |
| SGA expenses | 1,316 | 19% | 904 | 18% |
| Amortization of capitalized software costs | 188 | 3% | 168 | 3% |
| Depreciation | 79 | 1% | 48 | 1% |
| Finance Expenses | 183 | 3% | 77 | 2% |
| **TOTAL COST** | **6,035** | **86%** | **4,263** | **85%** |

### Depreciation & Amortization

Depreciation expense has increased in volume terms by 65% from ₹ 48 Mn to ₹ 79 Mn in FY 12. This reflects the investment during the year in new tangible and intangible assets to sustain future growth, and to strengthen nascent business opportunities using new technologies & industry verticals. However, depreciation as % of Revenue continues to remain stable at 1%

Amortization expense reflects the value of internally developed Products written off during the year on a straight line basis. At ₹ 188 Mn in FY 12, this expenditure has increased by 12% over the previous year. As a proportion of product development costs capitalized during the year, there is an increase of 18% from 27% of capitalized amount amortized in FY 11 to 32% of capitalized value amortized during the year ended March 31, 2012.

### Finance Expenses

Finance Expenses reported during the year includes Interest charges on credit facilities availed by the company, impact of forex rate fluctuation pertaining to interest payments in other currencies incurred by subsidiary companies, as well related expenses like processing charges.

Thus while the reported finance expenses show a 138% increase from ₹ 77 Mn to ₹ 183 Mn, Interest charges grew by 97% over the year from ₹ 74 Mn to ₹ 146 Mn. The increase is mainly on account of the loan taken in GBP terms to fund the WCI acquisition in the last quarter of FY 11, while it has impacted all the four quarters of the current year.

### Taxation

Tax expense has significantly increased in year ended March 31, 2012 to ₹ 211 Mn from ₹ 65 Mn incurred in the year ended March 31, 2011, resulting in the effective rate of taxation going up from 8% to 21%. This is due to changes to the tax benefits availed in India that proved beneficial till the financial year ended March 31, 2011. Significant changes introduced in the Financial Year ended March 31, 2012 included the closure of the STPI scheme and imposition of AMT on Limited Liability Partnership model of business.

### Minority Interest

Minority Interest has increased from ₹ 35 Mn to ₹ 86 Mn during the year, mainly on account of excellent performances by two of our subsidiaries in Middle East and US.

## FOREIGN CURRENCY TRANSACTIONS

The company has a substantial part of its revenue generated outside India, significantly the USA. The last year has seen substantial fluctuations in exchange rates for Indian Rupee against USD. The accounting treatment for reporting financial performance and position at the end of the year is in consonance with the requirements of the Indian GAAP.

In conformance to this, the Statement of Profit & loss for the year reflects 6% increase in average USD exchange rates over the previous year, in both Revenue & Expenses. On account of the significant natural hedge for risks associated

# MANAGEMENT'S DISCUSSION & ANALYSIS

with foreign currency fluctuations by virtue of its international operations both in terms of Revenue & Costs, there is no significant impact on the Result of Operations reported.

However, in conforming to Indian GAAP in Balance Sheet reporting, requiring reporting at the Closing rate on the last date of year, there would be a significant impact of about 15% decline in closing rates of the Indian Rupee as at March 31, 2012 and 2011 respectively, resulting in Balance Sheet expansion.

## FINANCIAL POSITION

During the year, the book value per share grew by 22% from ₹ 23 per share last year to ₹ 32 per share

### Share Capital:

There were no movements in the Share Capital structure of the Company during the year.

There was no movement in the Employee Stock Option Scheme 2007 established by the Company in terms of new options granted or options exercised.

### Reserves and Surplus

Reserves and Surplus of the Group stood at ₹ 3,300 Mn as at March 31, 2012 as against ₹ 2,427 Mn as at March 31, 2011, an increase of 36%.

The amount of net profit after tax transferred to Reserves & Surplus during the year increased by 22% from ₹ 700 Mn to ₹ 856 Mn.

### Borrowings

The increase in borrowings cost is predominantly due to fluctuation in forex rates amounting to ₹ 147 Mn. Net of the impact of forex rates, Proceeds from borrowings amounted to ₹ 69 Mn while repayments made during the year is ₹ 134 Mn.

Amt in ₹ Mn

| Particulars | Long term borrowings | | Short term borrowings | | Total borrowings | |
|---|---|---|---|---|---|---|
| | As at 31st March 2012 | As at 31st March 2011 | As at 31st March 2012 | As at 31st March 2011 | As at 31st March 2012 | As at 31st March 2011 |
| **Secured** | | | | | | |
| External Commercial Borrowings | 105 | 148 | – | – | 105 | 148 |
| From Banks | 983 | 1,024 | 204 | 212 | 1,187 | 1,236 |
| Finance Lease Obligations | 1 | 13 | – | – | 1 | 13 |
| **Unsecured** | | | | | | |
| Commercial Paper | – | – | 160 | 160 | 160 | 160 |
| Deferred Payments | 136 | 119 | – | – | 136 | 119 |
| Loan from related party | – | – | 28 | 42 | 28 | 42 |
| Others | 10 | 9 | – | – | 10 | 9 |
| | **1,235** | **1,313** | **392** | **415** | **1,627** | **1,728** |

### Trade Payables (Current Liabilities)

Trade Payables (Current Liabilities) representing payables for Purchase of Goods and Services increased from ₹ 400 Mn to ₹ 545 Mn during the financial year ended March 31, 2012, reflecting the growth in business volume. In terms of percentage of Revenue, it shows a marginal drop of 26 bps.

### Deferred Tax Liability and Deferred Tax Assets

According to our Accounting Policies, Deferred Tax Assets and Deferred Tax Liability are offset tax jurisdiction-wise.

Deferred Tax arises on certain items like Depreciation, Amortization, Employee benefits etc on account of timing differences between expense recognition for financial reporting purposes and Income Tax purposes, and is appropriately reflected as a Deferred Tax Asset or Liability.

During the year, Deferred Tax Asset increased from ₹ 0.5 Mn to ₹ 1 Mn, while Deferred Tax Liability increased from ₹ 32 Mn to ₹ 150 Mn. This is attributable to the time effect of capitalization of fixed assets during the year.

### Other Current Liabilities & Provisions

Other Current Liabilities includes Current Maturities of Long Term Debt, Mark to Market Losses on Forward contract, Unclaimed dividends, Interest due, Statutory Payables and Deferred Revenue.

Provisions (Long term & Short term) include provision for Employee Benefits & Taxes and Proposed dividend.

Provision on Mark to Market loss increased by 60% during the year from ₹ 15 Mn to ₹ 24 Mn, reflecting the steep decline in Rupee value during the year.

Adjusting for current maturities of long term debt and Mark to Market loss, Other Liabilities & Provisions increased by 31% during the year from ₹ 731 Mn to ₹ 959 Mn. As a percentage of Revenue, there is a decrease of 98 bps.

### Fixed Assets

The company has added about ₹ 420 Mn to its Gross Block during the year compared to ₹ 124 Mn in the previous year.

# MANAGEMENT'S DISCUSSION & ANALYSIS

The Company has, during the year significantly expanded its ability to offer services across different technology platforms and to offer bundled services. It has acquired applications that are customer specific with a view to strengthen relationships and to augment future revenues. Further, it has grown its infrastructure by acquiring applications and related hardware for new industry verticals in core domain of Supply Chain Management. It has also strengthened its disaster recovery infrastructure to support stringent client audit requirements.

**Goodwill**

There has been an increase in Goodwill on Balance Sheet of about 13% from ₹ 1,766 mn to ₹ 1,988 Mn. This is entirely on account of depreciation in Rupee value during the year.

**Current & Non-Current Investments**

The Company has continued to maintain its investments at the same level. Current Investments of ₹ 502 Mn as on March 31, 2012 is comparable to ₹ 500 Mn reported in Current Investments & ₹ 2 Mn in non-current investments as on March 31, 2011. This represents investments made by the company in Non - Convertible debentures and in Mutual funds.

**Cash & Cash Equivalents**

Balances held in Banks and as Cash increased from ₹ 464 Mn as at March 31, 2011 to ₹ 595 Mn as at March 31, 2012, an increase of 28%. However, in terms of percentage of revenue, it has dropped from 11.89% to 6.59%

Earmarked balances as at March 31, 2012 were ₹ 50 Mn. This constitutes 8% of the Bank balances available as at that date. This is comparable to ₹ 45 Mn earmarked balance as at March 31, 2011 representing 10% of the Bank balances as at that date.

**Inventories**

Inventory is held in the course of bundled offerings in respect of certain supply chain related solutions to clients. As at March 31, 2012, the value of inventory held increased by 52% from ₹ 119 Mn to ₹ 181 Mn. Seen in the perspective of revenue, this represents a marginal increase from 2.38% to 2.57%.

**Trade Receivables**

Receivables from customer stood at ₹ 1,588 Mn on March 31, 2012, an increase of 53% over the balance shown of ₹ 1,039 Mn as on March 31, 2011. Expressed as a percentage of revenue, the increase is from 20.77% to 22.57%.

**Loans, Advances & Other Current Assets**

This represents security deposits of various nature, advances to staff, suppliers of service, and products of capital nature, Interest receivable, Advance tax and other tax receivable as well as Unbilled Receivables.

This increased from ₹ 1,039 Mn as at March 31, 2011 to ₹ 1,141 as at March 31, 2012, by about 10%. This is mainly on account of increase in advance tax and prepaid expenses compared to the previous year.

**Key Financial Ratios:**

Following are the Key Financial Ratios:

| Particulars | Unit of Measurement | March 31, 2012 | March 31, 2011 |
|---|---|---|---|
| Return on Capital Employed | Percentage | 15.78% | 15.21% |
| Trade Receivable | No. of Days' Sale | 88 | 93 |
| Current Ratio | Times | 2.36 | 2.07 |
| Debt Equity | Times | 0.43 | 0.63 |
| Cash and Cash Equivalent | No. of Days' Sale | 55 | 69 |

# CORPORATE GOVERNANCE REPORT

## ANNEXURE TO THE DIRECTORS' REPORT

### 1. Philosophy on Code of Corporate Governance

Corporate Governance essentially is a set of processes and practices to ensure that the Company's affairs are being managed in the best interest of all stakeholders. Corporate Governance is a way of life, rather than a mere legal compulsion. Corporate Governance ensures fairness, accountability, transparency and integrity in all the transactions and meets the aspirations of all stakeholders. It further inspires and strengthens investor's confidence and commitment to the Company. TAKE has been committed to adherence of Corporate Governance practices and ensure optimum utilization of societal resources. The Company complies with the Code of Corporate Governance as enshrined in Clause 49 of the Listing Agreement.

### 2. Board of Directors

Composition and category of Directors as of March 31, 2012 is as follows:

| As on | Executive Director | Non-Executive Director | Independent Director | Total |
|---|---|---|---|---|
| 31st March 2012 | 1 | 4 | 6 | 11 |

The table below gives the composition of the Board and the number of other Directorships and Committee Memberships as on March 31, 2012

| Sl. No | Name of Director | Category | Number of Directorships held in other Indian Companies@@ | | Number of Board Committee memberships held in other companies** | |
|---|---|---|---|---|---|---|
| | | | Public | Private | Member | Chairman |
| 1 | **Mr. N. Kumar** | Non-Executive Chairman | 5 | 4 | 1 | 4 |
| 2 | **Mr. S. Krishnamurthy** | Independent Director | 3 | – | 3 | 1 |
| 3 | **Mr. D.A. Prasanna** | Independent Director | 1 | – | – | – |
| 4 | **Prof. G. Raghuram** | Independent Director | 5 | – | – | – |
| 5 | **Mr. N. Rangachary** | Independent Director | 6 | 5 | 2 | 6 |
| 6 | **Mr. R. Sundara Rajan** | Independent Director | 9 | 4 | 3 | 4 |
| 7 | **Mr. Srinivasan. H.R.** | Vice-Chairman (Non-Executive and Non-Independent Director) | 6 | 5 | – | 1 |
| 8 | **Mr. Bala Latupalli**[1] | Non-Executive and Non-Independent Director | – | – | – | – |
| 9 | **Mr. N. S. Nanda Kishore**[2] | Non-Executive and Non-Independent Director | 1 | 1 | – | – |
| 10 | **Mr. Ram Yeleswarapu** | Non-Executive and Non-Independent Director | – | 1 | – | – |
| 11 | **Mr. D. V. Ravi** | Non-Executive and Non-Independent Director | 9 | 8 | – | – |
| 12 | **Mr. S. Sridharan** | Managing Director | – | 4 | – | – |

@@ Does not include unlimited Companies, foreign Companies and Companies under Section 25 of the Companies Act, 1956.

**Only membership in Audit and Investor Grievance Committees are considered.

1 Mr. Bala Latupalli resigned from the Board w.e.f. Feb 03, 2012

2 Mr. N.S. Nanda Kishore has been appointed as Additional Director w.e.f. Feb 03, 2012

None of the Directors of the Board serve as members of more than 10 committees nor are they Chairman of more than 5 Committees.

#### a) Attendance record of the Directors

Five Board Meetings were held during the year, as against the minimum requirement of four. The Company has held at least one Board Meeting in every three months. The Board Meetings were held on April 29, 2011, May 27, 2011, July 30, 2011, Oct 28, 2011 and Feb 03, 2012. The Annual General Meeting of the Company was held on Aug 26, 2011.

# CORPORATE GOVERNANCE REPORT

The attendance records of all Directors are as follows:

| Name of Director | Category | No of Board Meetings | | Annual General Meeting |
|---|---|---|---|---|
| | | Held | Attended | |
| **Mr. N. Kumar** | Non-Executive Chairman | 5 | 5 | ✓ |
| **Mr. S. Krishnamurthy** | Independent | 5 | 5 | ✓ |
| **Mr. D.A. Prasanna** | Independent | 5 | 3 | – |
| **Prof. G. Raghuram** | Independent | 5 | 4 | ✓ |
| **Mr. N. Rangachary** | Independent | 5 | 4 | ✓ |
| **Mr. R. Sundara Rajan** | Independent | 5 | 5 | ✓ |
| **Mr. Srinivasan. H.R.** | Non Independent & Non Executive | 5 | 5 | ✓ |
| **Mr. Bala Latupalli*** | Non Independent & Non Executive | 5 | 1 | – |
| **Mr. N. S. Nanda Kishore**** | Non Independent & Non Executive | 5 | 1 | – |
| **Mr. Ram Yeleswarapu** | Non Independent & Non Executive | 5 | 2 | – |
| **Mr. D. V. Ravi** | Non Independent & Non Executive | 5 | 5 | ✓ |
| **Mr. S. Sridharan** | Managing Director | 5 | 5 | ✓ |

Mr. Bala Latupalli resigned from the Board w.e.f. Feb 03, 2012

** Mr. N.S. Nanda Kishore has been appointed as Additional Director w.e.f. Feb 03, 2012

**c) Details of Directors seeking appointment / reappointment:**

**i) Shri. N. Rangachary** is an authority in finance and taxation. He is an advisor to a number of organizations. He started his career as an Indian Revenue Service Officer in 1960 and has held prestigious positions spanning a long & distinguished career. He has served as Chairman of the Central Board of Direct Taxes and Chairman of the Insurance Regulatory and Development Authority. He was honored with the International Insurance Award for the years 1999 and 2000 by the International Insurance Council, USA. Mr. Rangachary is a Chartered Accountant, Cost Accountant and Company Secretary as well as an Honorary Fellow of the Actuarial Society of India.

He does not hold any shares in the Company.

He serves on the Boards of Roots Multiclean Ltd, Orient Green Power Company Ltd, Gokaldas Exports Ltd, Central Depository Services Ltd, CDSL Ventures Ltd, Central Insurance Depository Ltd, Srinindhi Investments Advisors Private Limited, AIG Trustee Company (India) Pvt Ltd, MTAR Technologies Pvt Ltd, Equitas Micro Finance Private Limited and Cecilia Healthcare Services Pvt Ltd.

**ii) Shri. S.Krishnamurthy** is a first class graduate of Madras University with Master's Degree in Labour Management. He holds PG Diploma in HRM & IR & PM. He is also a Certified Associate of the Indian Institute of Bankers with a Bachelor's Degree in General Laws.

Shri Krishnamurthy is a Senior Banker with extensive experience of over 4 decades in the Reserve Bank of India and Commercial Banks. He served as General Manager (Vigilance & Inspection/Audit) in Indian Overseas Bank, Chennai for 5 years and also as the Chairman and CEO of Tamilnad Mercantile Bank Ltd., Tuticorin for over 5 years. He was Banking Ombudsman, Chennai for about two years

He serves on the Boards of Shriram City Union Finance Ltd., Kerala Ayurveda Ltd., and Shriram EPC Ltd.

He does not hold any shares in the Company.

**iii) Shri. D. A. Prasanna** is the Chairman of Ecron Acunova, a venture promoted by Manipal Education and Medical Group and Acunova Life Sciences. He is a Trustee of Shriram Ownership Trust, which shapes the strategy of Shriram group of Companies. Considered a thought leader in Health care and Life Sciences, he has worked in global leadership positions in GE and was Vice Chairman of Wipro. He serves on the board of various Pharma companies and Research institutes. Prasanna is acknowledged in the healthcare sector as the pioneer in creating a market for high tech. medical equipment and delivering clinical excellence at low patient fees in Asian Hospitals, through innovative strategies. He has also been a founding member of Wipro's team that initiated the company's entry into IT He serves on the Governing Council of Center for Policy Research, India's leading Think Tank and of T A Pai Management Institute, a reputed Business School. He brings rich experience in pharma and healthcare.Mr. Prasanna is an alumnus of IIM Ahmedabad & GE Global Business Leadership Program at Crotonville..

He does not hold any shares in the Company.

**iv) Shri. N.S. Nanda Kishore** Mr. Nanda Kishore is the Group CTO of the Shriram Group, a major player in Financial Services, Life Insurance, General Insurance, Wealth Management, Infrastructure, Power and Engineering Services. He holds an Engineering degree in Electronics and Communications and has 17 years of experience in the Financial Services Industry in Technology, Business Process Management and Customer Service.

He has been driving the Technology initiatives of the Shriram Group in the areas of Software Application Management, IT Infrastructure, Data Centers, DR and BCP, Call Centers , Customer Service Desks and Business Process Re-engineering initiatives

He serves on the Board of Esyspro Infotech Limited and Shriram Value Services Pvt Ltd.

He does not hold any shares in the Company.

**3. Audit Committee**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges.

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

# CORPORATE GOVERNANCE REPORT

**The Role of Audit Committee includes the following:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters that need to be included in the Director's Responsibility Statement in terms of clause (2AA) of section 217 of the Companies Act, 1956;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions; and
   g) Qualifications in the draft audit report.
5. Reviewing with the management quarterly financial statements before submission of the same to the Board for its approval.
6. Reviewing with the management performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into 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.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults, if any in the payment to the depositors, debenture holders, shareholders (in case of non -payment of declared dividends) and creditors.

**The Audit Committee reviews the following information:**

1. Management Discussion and Analysis of the financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
3. Management letters/letters of internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor, wherever applicable.

The attendance of each member of the Committee is as follows:

| Name of the Director | Category | No of Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| **Mr. R. Sundara Rajan** | Chairman | 04 | 04 |
| **Mr. S. Krishnamurthy** | Member | 04 | 04 |
| **Mr. D.A. Prasanna** | Member | 04 | 04 |
| **Mr. D.V. Ravi** | Member | 04 | 04 |

The Company Secretary is the Secretary of the Audit Committee.

**4. Remuneration & Compensation Committee**

The Remuneration & Compensation Committee determines and recommends the remuneration payable to the Executive Directors. The Board of Directors approves the remuneration payable to the Executive Directors on the basis of their performance as well as the Company's performance, subject to consents as may be required.

The Independent Directors are paid Sitting fees for attending the meetings of the Board. Currently a fee of ₹.20,000 per meeting per Director is paid for attending the Board Meeting. The Independent Directors are paid a commission not exceeding 1% of the Net Profits of the Company computed under the provisions of the Companies Act, 1956. The basis of determining the amount of commission to the Independent Directors is related to their attendance and contributions at the meetings and extent of consultations provided by them. The resolutions for the appointment of Directors and remuneration payable are approved by the shareholders of the Company.

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

Terms of Reference:-

- 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

Details of remuneration paid to Directors for the year 2011-12 are given below:

(Amount in ₹)

| Name of the Director | Remuneration paid during the FY 2011-12 | | |
|---|---|---|---|
| | Salary | Sitting Fees | Commission |
| **Mr. N. Kumar** | – | 1,00,000/- | 3,00,000 |
| **Mr. S. Krishnamurthy** | – | 1,00,000/- | 3,00,000 |
| **Mr. D A Prasanna** | – | 60,000/- | 3,00,000 |
| **Prof. G. Raghuram** | – | 80,000/- | 3,00,000 |
| **Mr. N. Rangachary** | – | 80,000/- | 3,00,000 |
| **Mr. R. Sundara Rajan** | – | 1,00,000/- | 3,00,000 |
| **Mr. Srinivasan. H.R.** | – | – | – |
| **Mr. Bala Latupalli** | – | – | – |
| **Mr. N. S. Nanda Kishore** | – | – | – |
| **Mr. Ram Yeleswarapu** | – | – | – |
| **Mr. D. V. Ravi** | – | – | – |
| **Mr. S. Sridharan** | 64,90,680 | – | – |

# CORPORATE GOVERNANCE REPORT

The Shares held by Director as on March 31, 2012 are given below:

| Name of the Director | No of shares held |
|---|---|
| Mr. R. Sundara Rajan | 15,370 |

The attendance of each member of the Committee is as follows:

| Name of the Director | Category | No of Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| **Mr. D.A. Prasanna** | Chairman | 02 | 02 |
| **Mr. R. Sundara Rajan** | Member | 02 | 02 |
| **Mr. D.V. Ravi** | Member | 02 | 02 |

## 5. Shareholders'/ Investor Grievance-Cum-Share Transfer Committee

The Shareholders'/Investors Grievance - Cum - Share Transfer Committee was formed in June 6, 2006. The Committee is to redress the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of declared dividend etc. The Company Secretary acts as the Secretary to the Committee.

The attendance of each member of the Committee is as follows:

| Name of the Director | Category | No of Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| **Mr. N. Kumar** | Chairman | 04 | 04 |
| **Mr. R. Sundararajan** | Member | 04 | 04 |
| **Mr. S. Sridharan** | Member | 04 | 04 |

The following table shows status of complaints received from shareholders during 2011-12

| Sl. No. | Nature of Complaints | Opening Balance | Received | Responded | Pending |
|---|---|---|---|---|---|
| 01 | IPO | 0 | 0 | 0 | 0 |
| 02 | Other Complaints | 0 | 8 | 8 | 0 |
| 03 | Requests | 0 | 48 | 48 | 0 |

## 6. Details of Annual/Extraordinary General Meetings

Location and dates of the General Meetings held in the past three years

| Sl. No. | AGM / EGM | Location | Date |
|---|---|---|---|
| 01 | AGM | Narada Gana Sabha (Mini Hall), Chennai | 28.08.2009 |
| 02 | AGM | Narada Gana Sabha (Mini Hall), Chennai | 02.09.2010 |
| 03 | AGM | Narada Gana Sabha (Mini Hall), Chennai | 26.08.2011 |

All the resolutions including the Special Resolutions set out in the respective notices were passed by the shareholders unanimously.

## 7. Disclosures

**a) Disclosure on materially significant related party transactions:**

There is no material transaction with any related party which requires a separate disclosure. Schedule ___of the Annual Accounts as at March 31, 2012 contains the list of related party transactions as required by Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India.

**b) Disclosure of non-compliance:**

There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

**c) Whistle Blower Policy:**

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the Employees, to the Managing Director or to the Chairman of the Audit committee as the case may be. The policy provides a framework for adequate safeguard against victimization of employees.

We confirm that no employee of the Company has been denied access to the Audit Committee in respect of any incident.

## 8. Means of communication

- Financial results are published by the Company in Business Line, Financial Express and Makkal Kural
- Results are displayed in the Company's Website www.takesolutions.com
- Official news releases are also updated in the website
- All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed.

## 9. General shareholder information

| | | |
|---|---|---|
| a) | Date, time and venue of AGM | 7th September 2012 at 10.00 am at Narada Gana Sabha Mini Hall, 314, T.T.K. Road, Chennai - 600 018 |
| b) | Financial Year | April 01 2011 to March 31, 2012 |
| c) | Date of Book Closure | 1st September to 7th September 2012 - (both days inclusive) |
| d) | Dividend Payment Date for FY 2011-12 | To be approved |
| e) | Listing on Stock Exchanges | **Bombay Stock Exchange Limited**<br>New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, India<br>Tel: 91-22-22721233, 22721234,<br>Fax: 91-22-22723677, 22722082 / 3132<br>**National Stock Exchange of India Limited**<br>Regd Office: "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India<br>Tel: 91-22-26598100, 56418100,<br>Fax: 91-22-26598237 / 38, 26598120<br>Listing fees for the year 2012-13 have been paid to both the Stock Exchanges |
| f) | Stock Code | BSE Code : 532890<br>NSE Code : TAKE<br>ISIN : INE142I01023 |

# CORPORATE GOVERNANCE REPORT

### g) Stock Market Data

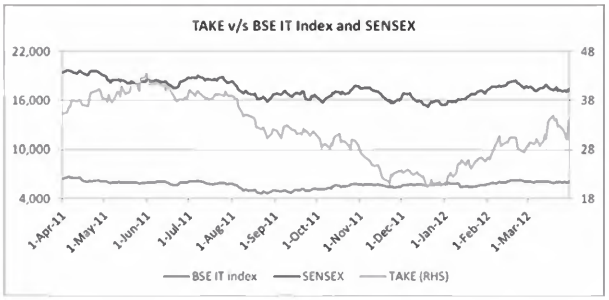
Monthly high and low quotations along with the volume of shares traded at NSE and BSE for 2011-2012 are:

| | NSE | | BSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| Apr-11 | 41.20 | 35.10 | 40.95 | 34.15 |
| May-11 | 48.70 | 37.00 | 48.70 | 36.50 |
| Jun-11 | 44.05 | 37.00 | 44.40 | 37.05 |
| Jul-11 | 42.50 | 38.00 | 41.80 | 37.10 |
| Aug-11 | 44.95 | 28.80 | 42.50 | 29.00 |
| Sep-11 | 36.05 | 29.25 | 34.90 | 29.60 |
| Oct-11 | 32.00 | 27.70 | 31.90 | 27.70 |
| Nov-11 | 30.60 | 19.95 | 31.00 | 20.10 |
| Dec-11 | 25.00 | 20.05 | 25.70 | 20.10 |
| Jan-12 | 30.00 | 21.05 | 27.70 | 20.70 |
| Feb-12 | 31.60 | 25.10 | 32.00 | 25.85 |
| Mar-12 | 35.90 | 28.05 | 36.00 | 28.25 |

Source: www.bseindia.com & www.nseindia.com

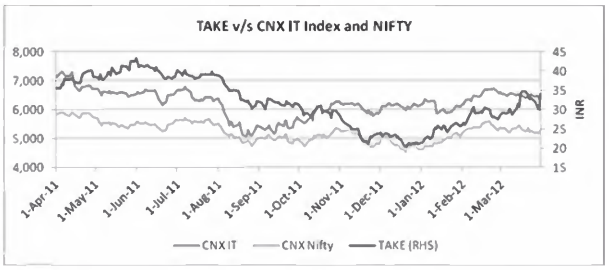
### h) Comparison of broad based indices with share price of TAKE

Comparison - BSE Index vs Share price of TAKE




Source: www.bseindia.com

Comparison - NSE Index vs Share price of TAKE




Source: www.nseindia.com

### i) Registrar & Share Transfer Agents

M/s. Link Intime India Pvt Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West,
Mumbai – 400 078
Tel.: 022-25963838

## 10. Distribution of Shareholding as at March 31, 2012

| No. of equity shares held | No. of share holders | % of Share holders | No. of shares held | % of share holding |
|---|---|---|---|---|
| 1-500 | 13855 | 83.3383 | 1791240 | 1.4634 |
| 501-1000 | 1239 | 7.4526 | 1028548 | 0.8403 |
| 1001-2000 | 638 | 3.8376 | 1001152 | 0.8179 |
| 2001-3000 | 228 | 1.3714 | 590221 | 0.4822 |
| 3001-4000 | 187 | 1.1248 | 639433 | 0.5224 |
| 4001-5000 | 102 | 0.6135 | 493680 | 0.4033 |
| 5001-10000 | 155 | 0.9323 | 1203215 | 0.9830 |
| 10001& above | 221 | 1.3293 | 115652511 | 94.4873 |
| **Total** | **16625** | **100.00** | **122400000** | **100.00** |

## 11. Shareholding Pattern as at March 31, 2012

| Category | No. of shares held | Percentage of share holding |
|---|---|---|
| **A. Promoter Holding** | | |
| 1. Indian - Bodies Corporate | 545,846 | 0.45 |
| 2. Foreign - Bodies Corporate | 70,856,250 | 57.89 |
| Sub-total (1 + 2) | **71,402,096** | **58.34** |
| **B. Public Holding** | | |
| 3) Institutional Investors | | |
| a) Mutual Funds | 3,606,540 | 2.95 |
| b) Financial Institutions / Banks | – | – |
| c) Insurance Companies | – | – |
| d) Foreign Institutional Investors | 2,633,746 | 2.15 |
| Sub-total (3) | **6,240,286** | **5.10** |
| 4) Non- Institutions | | |
| a) Bodies Corporate | 17,462,188 | 14.27 |
| b) Individuals holding nominal share capital Up to Rs.1 Lakh | 9,409,110 | 7.69 |
| c) Individuals holding nominal share capital In excess of Rs.1 Lakh | 13,864,495 | 11.33 |
| d) Others | | |
| i) Directors | 15,370 | 0.01 |
| ii) Clearing Member | 212,851 | 0.17 |
| iii) Trust | 2,765,422 | 2.26 |
| iv) NRIs | 749,256 | 0.61 |
| v) NRN | 58,006 | 0.05 |
| vi) Office Bearers | 220,920 | 0.18 |
| Sub-total (4) | **44,757,618** | **36.57** |
| TOTAL | **122400000** | **100.00** |

# CORPORATE GOVERNANCE REPORT

## 12. Electronic Clearing Service / Mandates

To prevent fraudulent encashment of dividend warrants, members are requested to provide their bank account details (if not provided earlier) to the Company/Share Transfer Agent (if shares are held in physical form) or to the depository Participants (DPs)( if shares are held in electronic form)as the case may be for printing of same on their dividend warrants.

## 13. Dematerialization of shares

| Electronic / Physical | No of Shares | % of Share Capital |
|---|---|---|
| NSDL | 37981573 | 31.03 |
| CDSL | 80901047 | 66.10 |
| Physical | 3517380 | 2.87 |

Equity Shares of the Company are traded on the Stock Exchanges only in electronic form. As on March 31, 2012, 97.13% of the shares are held in dematerialized form. In order to enable us to serve better, we request the shareholders whose shares are in physical mode to dematerialize their shares. Dematerializing results in marketability.

## 14. Unclaimed Dividends

Under the provisions of the Companies Act, 1956 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The unclaimed dividend as on March 31, 2012 is as follows:

| | Financial Year | Amount (in ₹) |
|---|---|---|
| 1. | 2007-08 | 63,086.00 |
| 2. | 2008-09 | 68,855.20 |
| 3. | 2009-10 | 95,845.80 |
| 4. | 2010-11 | 383,022.00 |

## 15. Address for Correspondence:

Mr. P. Srinivasan, Company Secretary & Compliance Officer/
Ms. Lakshmi C M, Manager - Legal & Secretarial
TAKE Solutions Limited
No. 8B, Adyar Club Gate Road
Chennai - 600 028
Phone No 044- 45909358; 45909359
Fax No. 044- 45909099
Email ID - srinivasanp@takesolutions.com ;
lakshmicm@takesolutions.com;
investorrelations@takesolutions.com

## 16. CEO / CFO Certification

As required under Clause 49 of the Listing Agreement a Certificate duly signed by Mr. S Sridharan, Managing Director (CEO) and Ms. N.S. Shobana, Chief Financial Officer (CFO) was placed at the meeting of the Board of Directors held on May 26, 2012.

## 17. Auditors' Certificate

The Certificate on compliance of conditions of Corporate Governance from the Auditors is enclosed along with this Report.

# CERTIFICATE ON CORPORATE GOVERNANCE

## Code of Conduct Certification

The Board of TAKE Solutions Limited has laid down a Code of Conduct for all Board Members and Senior Management. The Code of Conduct has been posted in the Company's website (www.takesolutions.com). All the Board Members and the Senior Management have affirmed compliance with the Code.

Place : Chennai
Date : May 26, 2012

**S. Sridharan**
Managing Director

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## Auditor's Certificate on Corporate Governance

To the Members of TAKE Solutions Limited

We have examined the compliance of corporate governance by TAKE Solutions Limited (the "Company"), for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sundar Srini & Sridhar**
Chartered Accountants

Place : Chennai
Date : May 26, 2012

**S. Sridhar**
Partner
Membership No.25504

# SECRETARIAL AUDIT REPORT

I have examined the registers, records and documents of **TAKE Solutions Limited** ("the Company") for the financial year ended on March 31, 2012 according to the provisions of-The Companies Act, 1956 and the Rules made under that Act;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under that Act; and
- The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- Maintenance of various statutory registers and documents and making necessary entries therein.
- Closure of Register of Members.
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government.
- Service of documents by the Company on its members, Auditors and the Registrar of Companies.
- The meetings of Directors and Committees of Directors including passing of resolutions by circulation.
- The 10th Annual General Meeting held on 26th August 2011.
- Minutes of proceedings of General Meetings and of Board and its Committee meetings.
- Approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required.
- Constitution of the Board of Directors, Committees of Directors and appointment, retirement and re-appointment of Directors including Managing Director, and Whole Time Director.
- Payment of remuneration to the Directors including the Managing Director.
- Appointment and Remuneration of Auditors;
- Transfers and transmissions of the Company's shares, issue and allotment of shares and issue and delivery of original and duplicate certificates of shares;
- Declaration and payment of dividends;
- Borrowings and registration, modification and satisfaction of charges whenever applicable;
- Investment of the Company's funds including inter corporate loans and investments and loans to others;
- Giving guarantees in connection with loans taken by subsidiary Companies;
- Contracts, common seal, registered office and publication of name of the Company;
- All other applicable provisions of the Act and the Rules made under that Act.

**2. I Further Report That:**

(a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;

(b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Directors and Senior Management Personnel.

(c) The Company has obtained all necessary approvals under the various provisions of the Act;

(d) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**3. I further report that:**

a) The Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

b) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures under the Regulations;

c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures required under the Regulations except delay in filing of form under Regulation 13(6)

d) The Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects.

**For M. Alagar & Associates**

**M. Alagar**
Company Secretary in Practice
*COP. 8196*

Place : Chennai
Date : May 26, 2012

# AUDITORS' REPORT

## Auditors' Report on Consolidated Financial Statements to the Board of Directors of TAKE Solutions Limited

1. We have audited the accompanying consolidated financial statements of **TAKE Solutions Limited** ('the Company'), and its subsidiaries (collectively referred as the **'TAKE Group'**) which comprise the Consolidated Balance Sheet as at **March 31, 2012,** the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Consolidated Financial Statements

The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

## 4. Opinion

a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 4,214 Million as at March 31, 2012, total revenues of Rs. 3,854 Million and net cash inflow amounting to Rs. 291 Million for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors.

b) We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, prescribed by the Central Government under Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies.

c) Subject to the matter referred to in paragraph 4(a) above, based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company and the aforesaid subsidiaries and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the accompanying Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the State of affairs of the TAKE Group as at March 31, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the TAKE Group for the year ended on that date; and

   (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the TAKE Group for the year ended on that date.

**For Sundar Srini & Sridhar**
Chartered Accountants
*Firm Registration No. 004201S*

**S. Sridhar**
Partner
Membership No. 025504

Place : Chennai
Date : May 26, 2012

# CONSOLIDATED BALANCE SHEET

## Consolidated Balance Sheet as at

(Amount in ₹ Mn)

| PARTICULARS | Note | March 31, 2012 | March 31, 2011 |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| (a) Share Capital | 2.1 | 120.00 | 120.00 |
| (b) Reserves and Surplus | 2.2 | 3,299.53 | 2,426.63 |
| | | **3,419.53** | **2,546.63** |
| **Minority Interest** | | 376.16 | 271.87 |
| **Non-current liabilities** | | | |
| (a) Long-term borrowings | 2.3 | 1,234.61 | 1,313.32 |
| (b) Deferred tax liabilities (Net) | | 150.30 | 31.97 |
| (c) Other Long term liabilities | 2.4 | 7.06 | 31.71 |
| (d) Long-term provisions | 2.5 | 41.23 | 34.61 |
| | | **1,433.20** | **1,411.61** |
| **Current liabilities** | | | |
| (a) Short-term borrowings | 2.6 | 391.93 | 414.52 |
| (b) Trade payables | 2.7 | 544.64 | 400.02 |
| (c) Other current liabilities | 2.8 | 883.52 | 533.07 |
| (d) Short-term provisions | 2.9 | 357.56 | 298.12 |
| | | **2,177.65** | **1,645.73** |
| **TOTAL** | | **7,406.54** | **5,875.84** |
| **II. ASSETS** | | | |
| Non-current assets | | | |
| (a) Fixed assets | 2.10 | | |
| (i) Tangible assets | | 388.24 | 215.14 |
| (ii) Intangible assets | | 1,009.80 | 686.43 |
| (iii) Intangible assets under development | | 11.59 | 44.65 |
| | | **1,409.63** | **946.22** |
| (b) Goodwill on Consolidation | | 1,988.55 | 1,766.26 |
| (c) Non-current investments | 2.11 | - | 1.60 |
| (d) Deferred Tax Asset | | 1.04 | 0.51 |
| (e) Long-term loans and advances | 2.12 | 43.99 | 37.57 |
| (f) Other non-current assets | 2.13 | 19.92 | - |
| | | **2,053.50** | **1,805.94** |
| **Current assets** | | | |
| (a) Current investments | 2.14 | 501.60 | 500.00 |
| (b) Inventories | 2.15 | 181.45 | 118.87 |
| (c) Trade receivables | 2.16 | 1,587.91 | 1,038.65 |
| (d) Cash and cash equivalents | 2.17 | 595.40 | 464.33 |
| (e) Short-term loans and advances | 2.18 | 998.66 | 953.68 |
| (f) Other current assets | 2.19 | 78.39 | 48.15 |
| | | 3,943.41 | 3,123.68 |
| **TOTAL** | | **7,406.54** | **5,875.84** |
| **III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS** | 1–8 | | |

**"As per our report attached"**

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration No. 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## Consolidated Statement of Profit and Loss for the Year ended

(Amount in ₹ Mn except per share data)

| PARTICULARS | Note | March 31, 2012 | March 31, 2011 |
|---|---|---|---|
| **I. Revenue from Operations** | 2.20 | 7,036.60 | 5,003.00 |
| **II. Other Income (net)** | 2.21 | 151.49 | 60.05 |
| **III. Total Revenue (I+II)** | | 7,188.09 | 5,063.05 |
| **IV. Expenses:** | | | |
| Cost of Revenue | 2.22 | 2,448.34 | 1,676.44 |
| Employee Benefit Expenses | 2.23 | 1,820.37 | 1,389.23 |
| Finance Costs | 2.24 | 182.82 | 77.42 |
| Depreciation and Amortization Expense | 2.10 | 266.72 | 215.77 |
| Other Expenses | 2.25 | 1,316.97 | 903.72 |
| Total expenses | | 6,035.22 | 4,262.58 |
| **V. Profit before tax (III-IV)** | | **1,152.87** | **800.47** |
| **VI. Tax expense:** | | | |
| (1) Current Tax | | 134.87 | 67.55 |
| (2) Short/(Excess) Provision of earlier years | | (35.91) | 0.02 |
| (3) Deferred Tax | | 112.32 | (2.61) |
| **VII. Profit for the year before Minority Interest (V-VI)** | | **941.59** | **735.51** |
| **VIII. Minority Interest** | | 85.80 | 35.57 |
| **IX. Profit for the year (VII-VIII)** | | **855.79** | **699.94** |
| **X. Earnings per equity share:** | | | |
| Equity shares of par value ₹ 1/- each | | 120,000,000 | 120,000,000 |
| Basic | | 7.13 | 5.83 |
| Diluted | | 7.11 | 5.82 |
| Weighted average number of equity shares | | | |
| Basic | | 120,000,000 | 120,000,000 |
| Diluted | | 120,301,250 | 120,312,750 |
| **XI. NOTES FORMING PART OF THE FINANCIAL STATEMENTS** | 1- 8 | | |

**"As per our report attached"**

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration No. 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

## Consolidated Cash Flow Statement for the Year ended

(Amount in ₹ Mn)

| PARTICULARS | March 31, 2012 | March 31, 2011 |
|---|---|---|
| **A) CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **NET PROFIT/ (LOSS) BEFORE TAX** | 1,152.87 | 800.47 |
| **Adjustments for** | | |
| Depreciation | 78.74 | 47.74 |
| Interest Expenses | 182.82 | 77.42 |
| Dividend Income | - | (0.07) |
| Interest Income | (47.44) | (46.97) |
| (Profit)/Loss on Sale of Fixed Assets | (48.72) | 0.59 |
| Provision for Gratuity, Compensated absences & Other benefits | 6.62 | 9.02 |
| Foreign Exchange Adjustments- Loss/ (Gain) | (12.69) | 26.44 |
| Product Development Expenses written off | 187.98 | 168.03 |
| Bad Debts written off | 10.08 | 10.13 |
| Impairment | - | 0.70 |
| **Operating Profit before Working Capital Changes** | **1,510.26** | **1,093.50** |
| (Increase)/Decrease in Current Assets and Loans and Advances | (562.55) | (785.23) |
| Increase/ (Decrease) in Current Liabilities and Provisions | 278.06 | 322.72 |
| **Cash flow from/ (used in) Operations** | **1,225.77** | **630.99** |
| Interest - Working Capital Demand Loans | (26.03) | (11.32) |
| Direct Taxes paid | (45.08) | (29.82) |
| **NET CASH FROM /(USED) IN OPERATING ACTIVITIES** | **1,154.66** | **589.85** |
| **B) CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Fixed Assets - Net | (420.02) | (165.17) |
| Product Development Expenses (net off adjustment on merger - Refer note 2.2) | (219.20) | 14.81 |
| Dividend Income | - | 0.07 |
| Interest Income | 47.44 | 46.97 |
| Goodwill on Investment in Equity Shares in Subsidiary Companies (net off adjustment on merger - Refer Note 2.2)" | (222.29) | (1,909.17) |
| **NET CASH FROM /(USED) IN INVESTING ACTIVITIES** | **(814.07)** | **(2,012.49)** |
| **C) CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from Long Term Borrowings | 216.60 | 1,069.82 |
| Net Movement in Short Term Borrowings | (22.59) | 450.66 |
| Repayment of Long Term Borrowings | (116.34) | (20.42) |
| Dividends Paid | (119.63) | (25.35) |
| Dividends Paid by Subsidiary Companies | (16.03) | - |
| Interest- Long Term Loans | (156.79) | (63.63) |
| **NET CASH FROM /(USED) IN FINANCING ACTIVITIES** | **(214.78)** | **1,411.08** |
| **Net Increase/(Decrease) in Cash & Cash equivalents** | **125.81** | **(11.56)** |
| Add: Cash and Cash equivalent as at the beginning of the year | 419.79 | 431.35 |
| **Cash & Cash equivalent as at the end of the year** | **545.60** | **419.79** |
| Bank Deposits with more than 12 months maturity | 38.19 | 33.29 |
| Margin Money Deposit | 11.00 | 11.00 |
| Unclaimed dividend | 0.61 | 0.25 |
| **Cash & Cash Equivalents as per Balance Sheet - Note No. 2.17** | **595.40** | **464.33** |
| **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS - NOTE 1 - 8** | | |

**"As per our report attached"**

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration No. 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

### Company overview

TAKE Solutions Limited(referred to as 'TAKE' or 'the Company') and its subsidiaries provide a wide range of information technology and consultancy services specifically in two of its major business verticals namely Life Sciences (LS) and Supply Chain Management (SCM). The Company has accelerated its software product development life cycles along with other services in the LS Segment and also offers a unique combination of services including E- Business solutions in the SCM segment.

As of March 31, 2012, TAKE Solutions Pte Limited owned 57.89% of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Chennai and it has 22 subsidiaries across the globe.

### 1. Significant accounting policies

#### 1.1. Basis of preparation of financial statements

The consolidated financial statements of TAKE Solutions Limited and its subsidiaries (The Group) are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied by the Company and are consistent with those used during the previous year.

The significant accounting policies adopted by the Group are detailed below:

#### 1.2. Principles of Consolidation

The financial statements of the subsidiary companies used for consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All material intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable. Separate disclosure is made for minority interests.

b) The excess of cost to the Company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' in the consolidated financial statements.

c) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment.

d) Exchange difference resulting from the difference due to translation of foreign currency assets and liabilities in subsidiaries is disclosed as foreign currency translation reserve.

#### 1.3. Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles **('GAAP")** requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in future, actual results ultimately may differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

#### 1.4. Significant Accounting Policies

The significant accounting policies pertaining to the principal business segments of the Company are set out below and the other policies have been detailed in the Standalone Financial Statements.

#### 1.5. Revenue Recognition

##### 1.5.1. Software Services & Products

The Contracts between the Company and its customers are either time and material contracts or fixed price contracts.

a) Revenue from fixed-price contracts is recognised according to the milestones achieved as specified in the contracts on the Proportionate Completion Method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the year in which such changes are identified.

b) In respect of time and material contract, revenue is recognized in the year in which the services are provided. Unbilled revenue represents cost and earnings in excess of billings while deferred revenue represents the billing in excess of cost and earnings.

c) Revenue from product sale and licensing arrangements are recognized on delivery and installation.

##### 1.5.2. Sale of IT Infrastructure & Support Services:

Income from sale of IT Infrastructure is recognized upon completion of sale. Income from Support Services is recognized upon rendering of the services. Income from maintenance contracts relating to the year is recognized when the contracts are entered into on a time proportionate basis.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

**1.5.3. Revenue from E- Business Solutions:**

Revenue is recognized when invoices are raised and are accounted net of trade discounts, rebates, taxes and duties.

**1.5.4. Other Income**:

a) Interest income is recognized using time proportion method based on rates implicit in the transaction.

b) Dividend income is recognized when the Company's right to receive dividend is established.

c) Miscellaneous income is recognized on accrual basis.

**1.6. Cash Flow Statement**

Cash flows are reported using the Indirect Method, whereby net profit 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 and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement forms part of the Financial Statements.

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into Cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

**1.7. Intangible Assets**

**1.7.1 Software Product Development Cost:**

Internally developed software products are valued based on costs directly attributable to the development of such software and allocated indirect cost and they are capitalized individually once their technical feasibility is established in accordance with the requirements of Accounting Standard 26, 'Intangible Asset'.

Expenses incurred during research phase till the establishment of commercial feasibility is charged off to Statement of Profit and Loss.

Products capitalized are being amortized over a period of three to five years from the launch date and the unamortized product costs as at Balance Sheet date are shown under Intangible Assets under Fixed Assets separately.

**1.8. Foreign Currency Transactions / Translation Reserve**

**1.8.1.** All monetary items denominated in foreign currency are reflected at the closing exchange rates prevailing on the Balance Sheet date; the resultant exchange differences are recognized in the Statement of Profit and Loss. 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.

**1.8.2.** Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.

**1.8.3.** Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss for the year.

**1.8.4**. For the purposes of consolidation the operations of overseas subsidiaries are considered as non-integral in nature and accordingly their assets and liabilities of non-Indian subsidiaries are translated at the period-end exchange rate and income and expenditure items are translated at the average rates during the period. The resultant translation adjustment is reflected as a separate component of Shareholders' funds as 'Foreign currency translation reserve'. Upon dissolution/ disposal of non-Indian subsidiary, the balance in Foreign currency translation reserve in relation to that subsidiary will be transferred to Statement of Profit and Loss.

**1.9. Depreciation**

Depreciation is provided on a pro-rata basis on the Straight Line Method (SLM) over the estimated useful lives of the assets determined as follows:

| Asset | Life (in years) |
|---|---|
| Computers and Purchased Software | 2-7 |
| Furniture, Fixtures and Equipments | 1-20 |
| Automobiles | 3-10 |
| Leasehold improvements | Period of Lease |

**1.10. Goodwill**

Goodwill arising on consolidation/ acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written off, if found impaired.

**1.11. Taxation**

Tax expenses comprising of both current tax and deferred tax are included in determining the net results for the period.

**Deferred tax** reflects the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

only to the extent, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Current tax** is determined based on the provisions of the Income Tax Act of the respective countries.

**1.12. Subsidiary Company Particulars**

| Name of the Direct Subsidiary | Country of Incorporation | Proportion of Ownership Interest as at March 31, 2012 | Proportion of Ownership Interest as at March 31, 2011 |
|---|---|---|---|
| APA Engineering Private Limited (Formerly known as Autopartsasia Private Limited) | India | 58% | 58% |
| TAKE Business Cloud Private Limited (formerly known as CMNK Consultancy & Services Private Limited) | India | 100% | 100% |
| TAKE Solutions Global LLP (Controlled Directly and Indirectly through one of the subsidiaries) | India | 100% | 100% |
| TAKE Solutions Global Holdings Pte Limited. | Singapore | 100% | 100% |

**1.13. Impairment of Assets**

At each Balance Sheet date, the Management reviews the carrying amounts of its assets included in each of the cash generating units to determine whether there is any indication that those assets may be impaired. If such an indication exists, the company estimates the recoverable amount of the asset. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash–generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the net book value that would have been determined if no impairment had been recognized.

**1.14. Provisions, Contingent Liabilities & Contingent Assets**

A provision is recognized 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. Contingent liabilities are not recognized in the financial statements. A Contingent Asset is neither recognized nor disclosed in the financial statements.

**1.15. Financial Instruments: Recognition and Measurement**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The company designates this hedging instrument as "cash flow hedge" applying the recognition and measurement principles set out in Accounting Standard 30.

Hedging instrument is initially measured at fair value and is re-measured at subsequent reporting dates. Changes in the fair value of this derivative that is designated as an effective hedge of future cash flows is recognized directly in shareholders' funds as Hedging Reserve and reclassified into Statement of Profit and Loss upon the occurrence of hedged transactions. The ineffective portion is recognized immediately in Statement of Profit and Loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to Statement of Profit and Loss for the year. The Loss transferred to Statement of Profit and Loss for the year ended March 31, 2012 is ₹ 35.62 Mn (₹ 18.53 Mn).

## 2. Notes forming part of Financial Statements

**2.1. Share Capital**

| Particulars | As at March 31, 2012 | | As at March 31, 2011 | |
|---|---|---|---|---|
| | Number | ₹ Mn | Number | ₹ Mn |
| **Authorised** | | | | |
| Preference shares of ₹ 10 each | 15,000,000 | 150.00 | 15,000,000 | 150.00 |
| Equity Shares of ₹ 1 each | 350,000,000 | 350.00 | 350,000,000 | 350.00 |
| Issued, Subscribed & Fully Paid up | | | | |
| Equity Shares of ₹ 1 each fully paid | 122,400,000 | 122.40 | 122,400,000 | 122.40 |
| Less: Shares issued and lying with ESOP Trust* | 2,400,000 | 2.40 | 2,400,000 | 2.40 |
| Total | 120,000,000 | 120.00 | 120,000,000 | 120.00 |

* As per the Guidance Note on Accounting for Employee Share-based payments issued by the Institute of Chartered Accountants of India, shares allotted to Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 2,400,000 equity

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

shares allotted to the trust, no shares have been transferred to employees' upto March 31, 2012. Accordingly, the Company has reduced the Share Capital by the amount of face value of the equity shares issued to the Trust but not transferred to employees and Securities Premium by the amount of Share Premium on such shares.

**a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:**

| Particulars | As at March 31, 2012 | | As at March 31, 2011 | |
|---|---|---|---|---|
| | Number | ₹ Mn | Number | ₹ Mn |
| Equity Shares outstanding at the beginning of the year | 120,000,000 | 120.00 | 120,000,000 | 120.00 |
| Changes during the year | - | - | - | - |
| Equity Shares outstanding at the end of the year | 120,000,000 | 120.00 | 120,000,000 | 120.00 |

b) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity Shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the end of the period is as given below:

| Sl.. No. | Name of the Shareholder | As at March 31, 2012 | | As at March 31, 2011 | |
|---|---|---|---|---|---|
| | | No. of Shares held | % of Holding | No. of Share held | % of Holding |
| 1 | TAKE Solutions Pte. Limited. | 70,856,250 | 57.89 | 70,856,250 | 57.89 |
| 2 | Perpetual Enterprises Private Limited | 6,250,000 | 5.11 | 6,250,000 | 5.11 |
| 3 | Ashish Dhawan | 6,224,366 | 5.09 | * | * |

* Holding does not exceed 5% as at Balance Sheet Date.

d) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the Balance Sheet date.

e) **Employee Stock Options**

The Company measures the compensation cost relating to employee stock options using the intrinsic value method. The compensation cost is amortized over vesting period of the option.

Pursuant to Clause 5.3 (f) of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 and para 10 of Employees Stock Option Scheme - 2007 of the Company, Remuneration & Compensation Committee is authorised to make a fair and reasonable adjustment to the number of options and to the exercise price in respect of options granted to the employees under the plan in the case of Corporate actions such as right issue, bonus issue, merger, etc. The shareholders have in their meeting held on August 22, 2008 approved sub-division of face value of each equity share of ₹ 10/- into 10 equity shares of ₹ 1/- each. Accordingly, the number of maximum options that can be issued under Employees Stock Option Scheme 2007 has been increased to 2,400,000 (2.4 Mn) originally 240,000 (0.24 Mn) and the exercise price has been reduced in case of Series I to ₹ 73.00 and Series II to ₹ 73.00 per equity share of ₹ 1/- each.

On December 10, 2007, the company established Employees Stock Option Scheme - 2007 (ESOS - 2007 or scheme). Under the scheme, the company is authorized to issue up to 2,400,000 (originally 240,000) equity settled options of ₹ 1/- each (originally ₹ 10/- each) to employees (including employees of the subsidiary company). Remuneration & Compensation Committee has been constituted by the Board of Directors of the Company to administer the Scheme.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

| | ESOS - 2007 | |
|---|---|---|
| | **Series - I** | **Series - II** |
| 1. Grant Price - ₹ | 73.00 | 73.00 |
| 2. Grant Date | April 02, 2008 | May 26, 2008 |
| 3. Vesting commences on | April 01, 2009 | May 25, 2009 |
| 4. Vesting Schedule | 30% of grant on April 01, 2009, subsequent 30% of grant on April 01, 2010 and balance 40% of grant on April 01, 2011 | 30% of grant on May 25, 2009, subsequent 30% of grant on May 25, 2010 and balance 40% of grant on May 25, 2011 |
| 5. Option Granted and outstanding at the beginning of the year | 208,750 | 312,500 |
| 6. Option granted during the year | Nil | Nil |
| 7. Option lapsed and /or withdrawn during the period | — | 220,000 |
| 8. Option exercised during the year against which shares were allotted | Nil | Nil |
| 9. Option granted and outstanding at the end of the year of which | | |
| – Options vested | 208,750 | 92,500 |
| – Options yet to vest | — | — |

### 2.2. Reserves and Surplus

Reserves and Surplus consist of the following:

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| **a. Capital Reserve** | | |
| Opening Balance | 39.22 | 37.85 |
| (+) Current Year Transfer | 2.52 | 1.37 |
| (-) Written Back in Current Year | 1.22 | – |
| Closing Balance | **40.52** | **39.22** |
| **b. Capital Reserves on Consolidation** | | |
| Opening Balance | 6.51 | 6.51 |
| (+) Current Year Transfer | 3.33 | - |
| Closing Balance | **9.84** | **6.51** |
| **c. Capital Redemption Reserve as at the beginning and end of the year** | 49.11 | 49.11 |
| **d. Securities Premium Reserve** | | |
| Opening Balance | 2,130.69 | 2,130.69 |
| Less: Shares issued and lying with ESOP Trust | 175.56 | 175.56 |
| Closing Balance | **1,955.13** | **1,955.13** |
| **e. Share Options Outstanding Account** | | |
| Opening Balance | 1.56 | 1.78 |
| (+) Current Year Transfer | – | – |
| (-) Written Back in Current Year | – | 0.22 |
| Closing Balance | **1.56** | **1.56** |
| **f. Hedging Reserve** | | |
| Opening Balance | (39.59) | (64.35) |
| (+) Current Year Transfer | 15.01 | 24.76 |
| Closing Balance | **(24.58)** | **(39.59)** |
| **g. General Reserve** | | |
| Opening Balance | 57.27 | 33.65 |
| (+) Current Year Transfer | 35.07 | 23.62 |
| Closing Balance | **92.34** | **57.27** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| **h. Foreign Currency Translation Reserve** | 68.79 | (72.34) |
| **i. Surplus (Balance in Statement of Profit and Loss)** | | |
| Opening balance | 429.76 | 1,628.05 |
| (+) Net Profit after Tax transferred from Statement of Profit and Loss | 855.79 | 699.94 |
| Amount available for appropriation | **1,285.55** | 2,327.99 |
| Appropriations: | | |
| (-) Final Dividend | 119.63 | 119.63 |
| (-) Dividend by Subsidiary | 6.53 | 0.87 |
| (-) Dividend Distribution Tax | 19.86 | 20.69 |
| (-) Capital Reserve | 2.52 | 1.37 |
| (-) General Reserve | 35.07 | 23.63 |
| (-) Other Adjustments by subsidiary | – | (4.88) |
| (-) On Account of Merger of Subsidiary Companies (Refer Note) | – | 1,732.04 |
| | 1,106.82 | 429.76 |
| **Total** | **3,299.53** | **2,426.63** |

The Board of Directors at its meeting held on May 26, 2012 has recommended a final dividend of ₹ 1.00 per equity share.

**Note:**

The Company's Wholly Owned Subsidiary TAKE Solutions Inc, USA had acquired 100% stake in Clear Orbit Inc on June 22, 2007. On September 30, 2010, Clear Orbit Inc, Texas, USA, a step down subsidiary of the Company merged with TAKE Solutions Inc, USA, under a scheme of merger approved by the Treasurer, State of New Jersey and Secretary of State of the State of Delaware, USA. Scheme of Arrangement stipulates that on completion of the Merger, TAKE Solutions Inc, will record the liabilities and assets excepting Goodwill, received on merger at the respective carrying amounts in the hands of ClearOrbit Inc. The difference between the net assets recorded and the carrying amount of investment by TAKE Solutions Inc into ClearOrbit Inc will be deducted from Balance of Retained Earnings.

The Company has accounted for the merger under the pooling of interests method and as per the scheme of arrangement ₹ 1,732.04 Mn has been adjusted against the retained earnings of TAKE Solutions Inc.

**Non - Current Liabilities**

**2.3. Long Term Borrowings**

Long Term Borrowings consist of the following:

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| (a) Term Loans - Secured | | |
| – External Commercial Borrowings | 105.14 | 148.21 |
| – Other Term Loans from Banks | 982.23 | 1,024.02 |
| (b) Long Term Maturities of Finance Lease Obligations - Secured | 0.86 | 13.18 |
| (c) Deferred Purchase Consideration - Unsecured | 136.48 | 119.28 |
| (d) Others - Unsecured | 9.90 | 8.63 |
| **Total** | **1,234.61** | **1,313.32** |

External Commercial Borrowings (ECB) represents the amount borrowed from CITI Bank N.A. and DBS Bank Limited and the balance outstanding as at date of Balance Sheet date is ₹ 84.10 Mn (US$ 1.61 Mn) and ₹ 85.93 Mn (USD 1.65 Mn) respectively.

During the FY 2009-10, the Company has raised External Commercial Borrowings from CITI Bank N.A. to the extent of US$ 2.58 Mn and DBS Bank Limited to the extent of US$ 2.40 Mn.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

Other Term Loan from Banks represents the amount borrowed from DBS Bank Limited by TAKE Global Limited, UK and from ICICI Bank Limited by TAKE Solutions Global LLP and the balances outstanding as at date of Balance Sheet is ₹ 1108.13 Mn and ₹ 108.01 Mn respectively, which has been classified as Current and Non- Current accordingly.

**External Commercial Borrowings**

**DBS Bank Limited -**

Interest - The rate of interest on the outstanding amount is 7% p.a. In case of any default interest on such default amounts shall be at the rate of 2% p.a. over and above the rate provided. In the event of default in repayment of any outstanding principal amount on due date, additional interest @ 2% p.a. over the respective rate of interest on the overdue amount from such due date upto the date of actual payment shall be payable.

Tenure - The repayment of principal has started from October 22, 2010 and shall get discharged completely on October 22, 2014. Repayment of principal and interest is at quarterly intervals and is repayable in terms of US Dollar.

Security - Primary security being 1st pari passu charge on the present and future book debts of the Company and 1st pari passu charge on the movable fixed assets of the Company and also against Investments held by Company's subsidiary namely TAKE Solutions Global Holdings Pte Limited, Singapore, the subsidiary of the Company in its Subsidiary, TAKE Solutions Inc to the extent of 4,800,000 shares of US$ 1 each. Also, Corporate Guarantee has been given by TAKE Solutions Inc as a collateral security.

**CITI Bank N.A -**

Interest - The rate of interest on the outstanding amount is 7.75% p.a. In case of any default interest on such default amounts shall be at the rate of 2% p.a. over and above the rate provided. In the event of default in repayment of any outstanding principal amount on due date, additional interest @ 2% p.a. over the respective rate of interest on the overdue amount from such due date upto the date of actual payment shall be payable.

Tenure - The repayment started from August 05, 2010 and shall get discharged completely on August 05, 2014. Repayment of principal and interest is at quarterly intervals and is repayable in terms of US Dollar.

Security - Primary security being pari passu charge on the present and future moveable assets of the Company and also against Investments held by Company's subsidiary namely TAKE Solutions Global Holdings Pte Limited, Singapore in its Subsidiary, TAKE Solutions Inc to the extent of 4,775,000 shares of US$ 1 each. Corporate Guarantee has been given by TAKE Solutions Inc as a collateral security.

**Other Term Loans**

**DBS Bank Limited** -

Interest - The rate of interest on the outstanding amount is LIBOR plus 3.9% p.a. In case of any default in the payment of principal or interest, interest shall be charged at the rate of 2% p.a. over the normal interest rate on the overdue amount from due date up to the date of actual payment.

Tenure - The repayment of principal has started from March 31, 2012 and shall get discharged completely on March 31, 2016. Repayment of principal and interest is at quarterly intervals.

Security - Primary security being Corporate Guarantee of TAKE Solutions Limited, India and TAKE Solutions Inc., USA Collateral Security being Pledge of 75,000 A and 22,375 B Ordinary Shares @ GBP 1 each of WCI Consulting Group Limited, U.K. and Corporate Guarantee by WCI Consulting Group Limited.

**ICICI Bank Limited -**

Interest - The rate of interest on the outstanding amount is 11.75% p.a. (Base @ 7.5% p.a. and Spread @ 4.25% p.a.).

Tenure - The repayment has started from December 29, 2011 and shall get discharged completely by September 30, 2014 (including the moratorium period of 1 year). Repayment of principal is at quarterly intervals and interest is payable on monthly basis and is repayable in terms of Indian Rupee.

Security - Primary security being exclusive charge on the present and future moveable assets of TAKE Solutions Global LLP including Receivables and also against Fixed Assets of TAKE Solutions Global LLP. Unconditional and Irrevocable Corporate Guarantee has been given by TAKE Solutions Limited as a collateral security.

There is no continuing default in the repayment of the principal and interest amounts for the loans referred above.

**2.4. Other Long Term Liabilities**

Other Long Term liabilities consist of the following:

| Particulars | As at March 31, 2012 ₹Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| Deferred Revenue | 7.06 | 7.12 |
| Mark-to-market loss on forward contract | – | 24.59 |
| **Total** | **7.06** | **31.71** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

As at March 31, 2012, the Company has outstanding forward contracts amounting to USD 2.00 Mn which matures subsequently in September 2012. These derivative instruments have been entered to hedge highly probable forecasted sales.

In accordance with the provisions of AS 30, these derivative instruments qualify for cash flow hedge accounting and have been fair valued at the Balance Sheet date and the resultant exchange loss has been debited to hedge reserve {Refer note no. 2.2 (f)}

Fair value of the above derivative instruments expected to be settled after 12 months from the date of the Balance Sheet have been classified under long term liabilities and amounts to ₹ Nil. (As at March 31, 2011: ₹ 24.59 Mn)

### 2.5. Long Term Provisions

Long Term Provisions consist of the following:

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| Provision for Employee Benefits | 41.23 | 34.61 |
| **Total** | **41.23** | **34.61** |

Provision for Employee Benefits includes provision for Gratuity and Other Retirement Benefits.

**Current Liabilities**

### 2.6. Short Term Borrowings

Short Term Borrowings consist of the following:

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| Secured | | |
| Loans repayable on demand | | |
| – From Banks | 203.88 | 212.12 |
| | **203.88** | **212.12** |
| Unsecured | | |
| **Loans repayable on demand** | | |
| – Banks | 160.00 | 160.00 |
| – Related Party | 28.05 | 42.40 |
| | **188.05** | **202.40** |
| **Total** | **391.93** | **414.52** |

The loan repayable on demand from banks- secured represents:

| Facility Name | Amount Outstanding as on March 31, 2012 | Interest | Security |
|---|---|---|---|
| Packing Credit in Foreign Currency | ₹ 40.37 Mn | 4% - 5% p.a. | Secured against the current and future movables Current Assets of respective companies and guarantees by Holding Company. |
| Cash Credit Facility | ₹ 163.51 Mn | 11% - 14% p.a | |

Unsecured Loan represents commercial paper issued by the Company at the interest rate of 12.75% per annum and the same is getting matured on June 21, 2012.

There is no defaults on the Balance Sheet date in repayment of principal sum and interest for the above referred loans.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 2.7. Trade Payables

Trade Payable consist of the following:

**There is no default as on the Balance Sheet date in repayment of principal sum and interest for the above referred loans.**

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| Trade Payables | 544.64 | 400.02 |
| **Total** | **544.64** | **400.02** |

### 2.8. Other Current Liabilities

Other Current Liabilities consist of the following:

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| (a) Current maturities of long-term debt | 298.80 | 119.83 |
| (b) Current maturities of finance lease obligations | 1.92 | 7.08 |
| (c) Interest accrued and due on borrowings | 1.68 | - |
| (d) Interest accrued but not due on borrowings | 2.25 | 2.50 |
| (e) Unclaimed dividends | 0.61 | 0.25 |
| (f) Mark-to-market loss on forward contract | 24.59 | 15.01 |
| (g) Statutory Payables | 28.12 | 14.35 |
| (h) Creditors for Capital Goods | 1.47 | 9.16 |
| (i) Other Payables * | 133.75 | 29.49 |
| (j) Advance received from Customers | 45.91 | 65.05 |
| (k) Deferred Revenue | 344.42 | 270.35 |
| **Total** | **883.52** | **533.07** |

* This includes Deferred Purchase Consideration of ₹ 50.22 Mn as at March 31, 2012.

### 2.9. Short Term Provisions

Short Term Provisions consist of the following:

| Particulars | As at March 31, 2012 ₹ Mn | As at March 31, 2011 ₹ Mn |
|---|---|---|
| (a) Employee benefits | 77.28 | 80.91 |
| (b) Others | | |
| Proposed final dividend on equity shares | 119.63 | 119.63 |
| Provision for Taxes | 129.16 | 67.55 |
| Tax on dividend | 19.86 | 20.33 |
| Others | 11.63 | 9.70 |
| **Total** | **357.56** | **298.12** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

**Non-Current Assets**

**2.10 Fixed Assets**

Fixed Assets consists of the following:

(Amount in ₹ M

| Sl. No. | Particulars | Gross Block | | | | | | | Accumulated Depriciation, Amortisation & Impairment | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at 1 April 2011 | Additions | Additions on Acquisitions | Deductions/ Transfer | Impairment | Translation Adjustment | Balance as at 31 March 2012 | Balance as at 1st April 2011 | Depreciation/ Ammortisation Impairment for the year | Additions on Acquisitions | on disposals | Translation Adjustment | Balance as at March 31 2012 | Balance as at March 31 2011 | Balance as at March 31 2012 |
| | | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn |
| a. | **Tangible Assets** | | | | | | | | | | | | | | | |
| | Computers & System Softwares | 186.93 | 194.17 | – | (24.58) | (0.04) | 18.39 | 374.87 | 158.04 | 17.30 | – | (19.49) | 17.83 | 173.68 | 28.89 | 201.19 |
| | Furniture and Fixtures | 148.14 | 7.73 | – | (0.81) | – | 16.90 | 171.96 | 82.80 | 7.80 | – | (0.28) | 15.21 | 105.53 | 65.34 | 66.43 |
| | Vehicles | 20.71 | 3.30 | – | (1.79) | – | 2.61 | 24.83 | 14.49 | 3.40 | – | (1.79) | 2.07 | 18.17 | 6.22 | 6.66 |
| | Buildings | 20.51 | – | – | – | – | 0.59 | 21.10 | 3.96 | 0.59 | – | – | 0.46 | 5.01 | 16.55 | 16.09 |
| | Office equipment | 123.68 | 4.98 | – | (0.87) | (0.01) | 3.70 | 131.48 | 25.54 | 5.60 | – | (0.25) | 2.72 | 33.61 | 98.14 | 97.87 |
| | **Total** | **499.97** | **210.18** | **–** | **(28.05)** | **(0.05)** | **42.19** | **724.24** | **284.83** | **34.69** | **–** | **(21.81)** | **38.29** | **336.00** | **215.14** | **388.24** |
| | **Previous Year** | **365.91** | **160.17** | **14.18** | **(42.59)** | **–** | **2.30** | **499.97** | **273.23** | **30.23** | **9.96** | **(28.99)** | **0.40** | **284.83** | **92.68** | **215.14** |
| b. | **Intangible Assets** | | | | | | | | | | | | | | | |
| | Computer software Software | 92.81 | 209.84 | – | (2.81) | (0.22) | 6.26 | 305.88 | 37.64 | 44.05 | – | (2.55) | 3.21 | 82.35 | 55.17 | 223.53 |
| | Product Costs | 1,041.57 | 252.26 | – | – | – | 122.43 | 1,877.05 | 544.96 | 187.98 | – | – | 51.96 | 784.90 | 496.61 | 631.36 |
| | Goodwill | 134.65 | 0.54 | – | – | – | 19.72 | 154.91 | – | – | – | – | – | – | 134.65 | 154.91 |
| | **Total** | **1,269.03** | **462.64** | **–** | **(2.81)** | **(0.22)** | **148.41** | **1,877.05** | **582.60** | **232.03** | **–** | **(2.55)** | **55.17** | **867.25** | **686.43** | **1,009.80** |
| | **Previous Year** | **970.82** | **268.42** | **–** | **20.16** | **–** | **9.63** | **1,269.03** | **420.10** | **165.25** | **–** | **(5.08)** | **2.33** | **582.60** | **550.72** | **686.43** |
| c. | **Intangible Assets under Development** | **44.65** | **17.58** | **–** | **(50.64)** | **–** | **–** | **11.59** | **–** | **–** | **–** | **–** | **–** | **–** | **44.65** | **11.59** |
| | **Total** | **44.65** | **17.58** | **–** | **(50.64)** | **–** | **–** | **11.59** | **–** | **–** | **–** | **–** | **–** | **–** | **44.65** | **11.59** |
| | **Previous Year** | **35.68** | **41.80** | **–** | **(32.83)** | **–** | **–** | **44.65** | **–** | **–** | **–** | **–** | **–** | **–** | **35.68** | **44.65** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 2.11. Non Current Investments

Non Current Investments consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| **Long-Term Investments at Cost - Unquoted and Non Trade** | | |
| Investment in Mutual Funds | – | 1.60 |
| **Total** | **–** | **1.60** |

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Aggregate amount of Unquoted Investments | – | 1.60 |

**Long-Term Investments - Unquoted and Non Trade**

| Particulars | Subsidiary/ Associate/JV Controlled Entity/Others | No. of Shares/ Units | | Quoted/ Unquoted | Partly Paid Fully Paid | Amount (₹ mn) | | Whether Stated at Cost Yes/No | If Answer to Column (9) is 'No' – Basics of Valuation |
|---|---|---|---|---|---|---|---|---|---|
| | | 2012 | 2011 | | | 2012 | 2011 | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| **Investment in Mutual Funds** | | | | | | | | | |
| (a) Birla Mid Cap Fund | Others | – | 12,771 | Unquoted | Fully paid | – | 0.50 | Yes | N/A |
| (b) Franklin India Prima Fund | Others | – | 3,426 | Unquoted | Fully paid | – | 0.50 | Yes | N/A |
| (c) TATA Purity Equity Fund | Others | – | 13,633 | Unquoted | Fully Paid | – | 0.50 | Yes | N/A |
| (d) Fidelity Mutual Fund | Others | – | 15,493 | Unquoted | Fully Paid | – | 0.10 | Yes | N/A |
| **Total** | | | **45,323** | | | **–** | **1.60** | | |

### 2.12. Long Term Loans and Advances

Long Term Loans and Advances consist of the following:

| Particulars | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| **a. Security Deposits** | | |
| Unsecured, considered good | 24.99 | 26.51 |
| | **24.99** | **26.51** |
| **b. Other loans and advances** | | |
| Unsecured, considered good | | |
| Interest Receivable | 0.90 | 0.93 |
| Prepaid Expenses | 7.64 | - |
| Other Advances | 10.13 | 10.13 |
| Capital Advances | 0.33 | - |
| | **19.00** | **11.06** |
| **Total** | **43.99** | **37.57** |

### 2.13. Other Non – Current Assets

Other Non- Current Assets consist of the following:

| Particulars | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| **Other Receivables** | | |
| Unsecured, considered good | 19.92 | - |
| | **19.92** | **-** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 2.14. Current Investments

Current Investments consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| (a) Investments in Mutual Funds | 1.60 | – |
| (b) Investments in Debentures | 500.00 | 500.00 |
| | **501.60** | **500.00** |

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Aggregate amount of unquoted investments | 501.60 | 500.00 |

Details of Current Investment

| Sl. No. | Particulars | Subsidiary/ Associate/JV/ Controlled Entity/Others | No. of Shares/ Units | | Quoted/ Unquoted | Partly paid/ Fully paid | Amount (₹ Mn) | | Basis of Valuation |
|---|---|---|---|---|---|---|---|---|---|
| | | | 2012 | 2011 | | | 2012 | 2011 | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| (a) | **Investments in Mutual Funds** | | | | | | | | |
| | (i) Birla Mid Cap Fund | Others | 12,771 | – | Unquoted | Fully paid | 0.50 | – | At cost price |
| | (ii) Franklin India Prima Fund | Others | 3,426 | – | Unquoted | Fully paid | 0.50 | – | At cost price |
| | (iii) TATA Purity Equity Fund | Others | 13,633 | – | Unquoted | Fully Paid | 0.50 | – | At cost price |
| | (iv) Fidelity Mutual Fund | Others | 15,493 | – | Unquoted | Fully Paid | 0.10 | – | At cost price |
| (b) | **Investments in Debentures** | | | | | | | | |
| | Investments in Non Convertible Debentures issued by Shriram Transport Finance Company Limited | Others | 500 | 500 | Unquoted | Fully Paid | 500.00 | 500.00 | At cost price |
| | **Total** | | | | | | **501.60** | **500.00** | |

### 2.15. Inventories

Inventories consist of the following:

| Particulars | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Stock-in-trade – Traded Goods | 181.45 | 118.87 |
| **Total** | **181.45** | **118.87** |

Inventories are carried at the lower of cost and net realizable value.

### 2.16. Trade Receivables

Trade Receivables consist of the following:

| Particulars | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Trade receivables outstanding for a period more than six months from the date they are due for payment | | |
| Unsecured, considered good | 55.29 | 5.76 |
| Unsecured, considered doubtful | 11.61 | - |
| Less: Provision for Doubtful Debts | (11.61) | - |
| | **55.29** | **5.76** |
| Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| Unsecured, considered good | 1,532.62 | 1,032.89 |
| Unsecured, considered doubtful | - | 14.77 |
| Less: Provision for Doubtful Debts | - | (14.77) |
| | **1,532.62** | **1,032.89** |
| **Total** | **1,587.91** | **1,038.65** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 2.17. Cash and Cash Equivalents

Cash and Cash Equivalents consist of the following:

| Particulars | As at March 31, 2012 | | As at March 31, 2011 | |
|---|---|---|---|---|
| | ₹ Mn | ₹ Mn | ₹ Mn | ₹ Mn |
| a. Balances with banks | | 594.32 | | 463.70 |
| This includes: | | | | |
| Earmarked Balances - Unclaimed dividend accounts | 0.61 | | 0.25 | |
| Bank Deposits with more than 12 months maturity | 38.19 | | 33.29 | |
| Margin money deposit against ECB Loan | 11.00 | | 11.00 | |
| Cheques/Drafts on Hand | – | | 1.99 | |
| b. Cash on hand | | 1.08 | | 0.63 |
| **Total** | | **595.40** | | **464.33** |

### 2.18. Short - Term Loans and Advances

Short - Term Loans and Advances consist of the following:

| Particulars | As at March 31, 2012 | As at March 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| **a. Loans and advances** | | |
| Unsecured, considered good | 2.33 | 0.28 |
| | **2.33** | **0.28** |
| **b. Others** | | |
| Unsecured, considered good | | |
| Prepaid Expenses | 106.00 | 51.03 |
| Interest paid in advance | 4.39 | 5.02 |
| Interest Receivable | 1.61 | 0.72 |
| Other deposits | 5.34 | - |
| Advance to employees | 10.49 | 11.72 |
| Advance to suppliers | 19.85 | 10.67 |
| Advance - Others | 481.35 | 475.28 |
| Advances Tax (including refunds receivable, net) | 191.23 | 104.17 |
| Other Taxes receivable | 15.69 | 11.69 |
| Unbilled Receivables | 160.38 | 283.10 |
| | **996.33** | **953.40** |
| **Total** | **998.66** | **953.68** |

### 2.19. Other Current Assets

Other Current Assets consist of the following:

| Particulars | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Other Advances | 78.39 | 48.15 |
| **Total** | **78.39** | **48.15** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 2.20 Revenue from Operations

Revenue from Operations consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Income from Software Services & Products | 4,952.39 | 3,931.33 |
| Income from e- Business Solutions | 1,835.42 | 1,003.74 |
| Income from Sale of IT Infrastructure & Support Services | 248.79 | 67.93 |
| **Total** | **7,036.60** | **5,003.00** |

### 2.21 Other Income (Net)

Other Income, (Net) consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Interest Income | 47.44 | 46.97 |
| Dividend Income | - | 0.07 |
| Profit on Sale of Assets | 48.84 | 0.42 |
| Net gain on foreign currency transactions and translation | 48.31 | - |
| Other non-operating income (net of expenses directly attributable to such income) | 6.90 | 12.59 |
| **Total** | **151.49** | **60.05** |

### 2.22 Cost of Revenue

Cost of Revenue consists of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Software Consultancy & Services Cost | 1,055.58 | 830.90 |
| Cost of E - Business Solutions Expenses | 1,178.21 | 791.58 |
| Cost of IT Infrastructure & Support Services | 214.55 | 53.96 |
| **Total** | **2,448.34** | **1,676.44** |

### 2.23 Employee Benefit Expenses

Employee Benefit Expenses consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Salaries and incentives | 1,724.17 | 1,337.61 |
| Contributions to | | |
| – Provident fund and Other Funds | 63.26 | 24.80 |
| Gratuity fund contributions and Leave encashment | 5.86 | 10.79 |
| Expense on Employee Stock Option Scheme (ESOP) | – | (0.25) |
| Staff welfare expenses | 27.08 | 16.28 |
| **Total** | **1,820.37** | **1,389.23** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 2.24 Finance Costs

Finance Costs consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Interest expense | 145.92 | 73.82 |
| Other borrowing costs | 2.63 | - |
| Processing Fees and Other Charges | 1.53 | 1.12 |
| Exchange difference arising on foreign currency borrowings | 32.74 | 2.48 |
| **Total** | **182.82** | **77.42** |

### 2.25 Other Expenses

Other Expenses consist of the following:

| Particulars | For the year ended March 31, 2012 | For the year ended March 31, 2011 |
|---|---|---|
| | ₹ Mn | ₹ Mn |
| Audit Fees | 19.37 | 14.52 |
| Bad Debts | 10.08 | 10.13 |
| Charity (CSR) | 1.65 | 1.32 |
| Commission and Brokerage | 191.16 | 130.91 |
| Communication Expenses | 83.42 | 86.85 |
| Electricity Charges | 19.44 | 12.81 |
| Foreign Exchange Fluctuation Loss (Net) | - | 8.03 |
| Loss on Derivative contracts | 35.62 | 18.53 |
| Insurance | 14.72 | 36.38 |
| Marketing Expenses | 319.19 | 121.44 |
| Meeting & Conference | 21.66 | 6.47 |
| Loss on sale of assets | 0.12 | 1.01 |
| Printing & Stationery | 6.77 | 5.83 |
| Professional Charges | 163.86 | 119.15 |
| Rent | 100.45 | 80.78 |
| Rate & Taxes | 18.18 | 35.79 |
| Repair & Maintenance - Building | 5.65 | 3.92 |
| Repair & Maintenance - Plant & Machinery | 38.13 | 13.32 |
| Repair & Maintenance - Others | 32.90 | 14.73 |
| Travelling & Conveyance | 151.71 | 96.32 |
| Other Expenses | 82.89 | 85.48 |
| **Total** | **1,316.97** | **903.72** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

**3. Segment Reporting**

The Company has identified business segments as its primary segment and geographic segments as its secondary segment.

The Company has identified Software Services & Products, E - Business Solutions and Others as Business Segment. Geographical segment information is disclosed based on the location of customers.

Revenue and Expenses that are directly identifiable with the Segments have been disclosed accordingly. Certain Income and Expenses which are not specifically allocable to individual segments have been disclosed as "Unallocated Corporate Income" and "Unallocated Corporate Expenses" respectively.

The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

(₹ Mn)

(Previous year figures given in brackets)

| PRIMARY SEGMENT INFORMATION | | | | |
|---|---|---|---|---|
| Particulars | Business Segments | | | |
| | Software Services & Products | E-Business Solutions | Others | Total |
| **REVENUE** | **4,952.39** | **1,835.42** | **248.79** | **7036.60** |
| | (3,931.33) | (1,003.74) | (67.93) | ( 5,003.00) |
| Segment Result | **2,055.38** | **493.68** | **30.85** | **2,579.91** |
| | (1,539.83) | (211.48) | (13.99) | (1,765.30) |
| Unallocated Corporate | | | | **151.49** |
| Income | | | | (60.05) |
| Unallocated Corporate | | | | **1,395.71** |
| Expenses | | | | (947.46) |
| Operating profit | | | | **1,335.69** |
| | | | | (877.89) |
| Interest Expenses | | | | **182.82** |
| | | | | (77.42) |
| Income Taxes | | | | **211.28** |
| | | | | (64.96) |
| Net Profit before minority interest | | | | **941.59** |
| | | | | (735.51) |
| Minority Interest | | | | **85.80** |
| | | | | (35.57) |
| Net Profit after Minority Interest | | | | **855.79** |
| | | | | (699.94) |

(₹ Mn)

| SECONDARY SEGMENT INFORMATION | | |
|---|---|---|
| Region | Geographic Segments | |
| | For the Year Ended March 31, 2012 | For the Year Ended March 31, 2011 |
| Asia Pacific | 2,181.34 | 2,154.76 |
| USA | 4,433.06 | 2,724.07 |
| Rest of the World | 422.20 | 124.17 |
| **Total Revenue** | **7,036.60** | **5,003.00** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

**4. Related Party Disclosure**

| |
|---|
| **Related party Disclosure for the year ended March 31, 2012** |
| **List of Related parties** |
| **Holding Company** |
| TAKE Solutions Pte. Limited, Singapore |
| **Subsidiaries (held directly)** |
| 1. APA Engineering Private Limited, India |
| 2. TAKE Business Cloud Private Limited, India ( Formerly known as CMNK Consultancy & Services Private Limited, India) |
| 3. TAKE Solutions Global Holdings Pte. Limited, Singapore |
| **Subsidiaries (held indirectly)** |
| 4. RPC Power India Private Limited, India (by virtue of control over composition of Board of Directors) |
| 5. TOWELL - TAKE Investments LLC, Sultanate of Oman |
| 6. TOWELL-TAKE Solutions LLC, Sultanate of Oman |
| 7. TAKE Solutions MEA Limited, UAE |
| 8. Mirnah Technology Systems Limited, Saudi Arabia |
| 9. Applied Clinical Intelligence, LLC, USA |
| 10. TAKE Enterprise Services Inc, USA |
| 11. TAKE Intellectual Properties Management Inc, USA |
| 12. TAKE Solutions Information Systems Pte. Limited, Singapore |
| 13. TAKE Solutions Inc, USA |
| 14. TAKE Supply ChainDeMexicoS De RI Cv, Mexico (Added during the year) |
| 15. CMNK Computer Systems Pte. Limited, Singapore |
| 16. TAKE Global Limited, UK |
| 17. WCI Consulting Group Limited, UK |
| 18. WCI Consulting Limited, UK |
| 19. WCI Consulting Limited, USA |
| 20. TAKE 10 Solutions Private Limited, India (Added during the year) |
| 21. Million Star Technologies Limited, Mauritius (Added during the year) |
| **Partner in Limited Liability Partnership** |
| 1. TAKE Solutions Global LLP, India. |
| **Key Management Personnel** |
| 1. Mr. S. Sridharan, Managing Director |
| 2. Mr. Srinivasan H.R., Vice Chairman & Non - Executive Director |
| 3. Mr. D.V. Ravi, Non - Executive Director |
| 4. Mr. Ram Yeleswarapu, Non - Executive Director |
| **Enterprises over which Key Management Personnel and their relatives exercise significant influence with whom transactions have taken place during the year** |
| 1. Aakanksha Management Consultancy & Holdings Private Limited, India |
| 2. Shriram Capital Limited, India |
| **Other Related Party** |
| 1. TAKE Solutions Limited ESOP Trust, India- the trust is effectively controlled by the company. |
| 2. W J Towell & Co. LLC , Sultanate of Oman, Joint Venture Partner |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

**Transactions with Related Parties**

(₹ Mn)

(Previous year figures in Brackets)

| Particulars | Holding Company | Key Manaement Personnel | Enterprises Controlled by Key Management Personnel & their relatives | Other Related Parties |
|---|---|---|---|---|
| Revenue | 133.41 | | - | - |
| | - | | (0.30) | (2.94) |
| Rent - Expenditure | | | - | |
| | | | (0.02) | |
| Interest - Expenditure | | | | 0.38 |
| | | | | - |
| Managerial Remuneration | | 6.50 | | |
| | | (5.49) | | |
| Managerial Remuneration (Non-Executive Directors) | | 20.06 | | |
| | | (8.80) | | |
| Commission ( Independent Directors) | | 1.80 | | |
| | | (1.80) | | |
| Balance Payable to Related Parties | | | | 29.73 |
| | | | | (7.95) |

Dividend paid to Holding Company ₹ 70.86 Mn (₹ 13.98 Mn).

**5. Leases**

**5.1. Obligation under Finance Lease: (₹ Mn)**

| Minimum Lease Payments | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| Not later than one year | 1.92 | 7.37 |
| Later than one year but not later than five years | 0.86 | 13.67 |
| Later than five years | Nil | Nil |

Present value of Minimum lease payments is ₹ 2.57 Mn (₹ 18.05 Mn)

Total rent expenses for finance leases amounted to ₹ 0.77 Mn (₹ 1.07 Mn) for the year ended March 31, 2012.

**5.2. Obligation under Non-cancellable operating lease: (₹ Mn)**

| Minimum Lease Payments | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|
| Not later than one year | 71.26 | 50.95 |
| Later than one year but not later than five years | 172.27 | 145.49 |
| Later than five years | 1.50 | 1.74 |

Total rent expenses for operating leases amounted to ₹ 72.01 Mn (₹ 59.52 Mn) for the year ended March 31, 2012.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

### 6. Earnings Per Share

Basic Earnings Per Share and Diluted Earnings Per Share are calculated by dividing the Net Profit After Tax for the year attributable to the Equity Shareholders by the Weighted Average number of Equity Shares outstanding during the year. As per the guidance note issued in January 2005 on Accounting for Employee Share Based Payments by the Institute of Chartered Accountants of India, 2,400,000 (2,400,000) weighted average number of shares held by the TAKE Solutions ESOP trust have been reduced from the equity shares outstanding for computing basic and diluted earnings per share for the year ended March 31, 2012.

| | Particulars | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|---|---|---|---|
| | **Basic** | **Equivalent No. of Shares** | **Equivalent No. of Shares** |
| 1. | Opening No. of Shares | 120,000,000 | 120,000,000 |
| 2. | Closing No. of Shares | 120,000,000 | 120,000,000 |
| 3. | Weighted Average No. of Shares | 120,000,000 | 120,000,000 |
| 4. | Profit Available for Equity Share Holders (₹ in Mn.) | 855.79 | 699.94 |
| 5. | **EPS (in ₹)** | **7.13** | **5.83** |
| 6. | Nominal Value of share (in ₹) | 1.00 | 1.00 |

| | Particulars | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|---|---|---|---|
| | **Diluted** | **Equivalent No. of Shares** | **Equivalent No. of Shares** |
| 1. | Weighted Average No. of Potential Equity Shares | 120,301,250 | 120,312,750 |
| 2. | Profit Available for Potential Equity Share Holders (₹ in Mns.) | 855.79 | 699.94 |
| 3. | **EPS (in ₹)** | **7.11** | **5.82** |
| 4. | Nominal Value of share (in ₹) | 1.00 | 1.00 |

### 7. Contingent Liabilities:

a) On May 23, 2008 the Company has received an order for the assessment year 2003-04 from Income Tax Appellate Tribunal (ITAT) disallowing the software product expenses claimed by the company as revenue expenditure and instead allowing the same as a capital expenditure with consequential depreciation and thereby reducing the benefit of carrying forward of losses by ₹ 15.91 Mn to the subsequent assessment years. However, no demand has been raised for the said assessment year. The Company has filed an appeal with the Honorable High Court of Tamil Nadu against the order of ITAT. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operation and hence, no adjustment has been made to the financial statements for the year ended March 31, 2012.

b) Demand from Income tax authorities for payment of additional tax of ₹ 18.04 Mn has been received upon completion of their tax review for the assessment year 2006-07. Also, Demand for payment of additional tax of ₹ 17.92 Mn has been received upon completion of their tax review for the assessment year 2007-08. Similarly, demand for payment of additional tax of ₹ 18.67 Mn has been received upon completion of their tax review for the assessment year 2008-09.The tax demand is mainly on account of disallowance of software product development expenses claimed by the company as revenue expenditure and instead allowing the same as a capital expenditure with consequential depreciation. The matter is pending before the Income Tax Appellate Tribunal (ITAT), Chennai. The Company is contesting the demand and the management including its tax advisors believe that its position is likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operation.

c) Bank Guarantees given by the related party as at March 31, 2012 - ₹ 0.08 Mn (₹ 0.40 Mn)

d) The Subsidiary Company (APA Engineering Private Limited) has received demand from Income Tax authorities for payment of additional tax of ₹ 12.97 Mn upon completion of their tax assessments for the financial years 2005-06, 2006-07, 2007-08 and 2008-09. The tax demands are mainly on account of disallowance of deduction claimed by the company under Section 10A of the Income Tax Act. The company has filed appeals for the above financial years with the appellate authorities and the matter is pending before the Commissioner of Income Tax, Chennai. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operation.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012 (Contd.)

8. The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 ("the schedule') issued by Ministry of Corporate Affairs. Previous year figures have been recast/restated to conform to the classification required by the Revised Schedule VI.

Corresponding figures for previous year presented have been regrouped, where necessary, to conform to the current year's classification.

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration No. 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

## To the Members of TAKE Solutions Limited

The accompanying abridged financial statements, which comprise the abridged Balance Sheet as at 31 March, 2012 , the abridged Profit and Loss account, the abridged Cash Flow Statement for the year then ended, and related notes, are derived from the audited financial statements of TAKE Solutions Limited ('the Company') for the year ended 31 March , 2012. We expressed an unmodified audit opinion on those financial statements in our report dated 26 May, 2012.

The abridged financial statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') [applied in the preparation of the audited financial statements of the Company]. Reading the abridged financials statements, therefore, is not a substitute for reading the audited financial statements of the Company.

## Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements, on the basis described in Note 1.

## Auditors' Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with the Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements' issued by the Institute of Chartered Accountants of India.

## Opinion

In our opinion, the abridged financial statements derived from the audited financial statements of the Company for the year ended 31 March, 2012 are a fair summary of those financial statements, on the basis described in Note 1.

**For Sundar Srini & Sridhar**
Chartered Accountants
*Firm Registration No: 004201S*

**S. Sridhar**
Partner
Membership No. 025504

Place : Chennai
Date : May 26, 2012

# AUDITORS' REPORT

## AUDITORS' REPORT TO THE MEMBERS OF TAKE SOLUTIONS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **TAKE Solutions Limited** ('the Company') which comprise the Balance Sheet as at **31st March, 2012**, the Statement of Profit and Loss and the Cash Flow Statement for the Year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statement

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;

b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the Year ended on that date; and

c) in the case of the Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

### Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the ***Annexure***, a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. As required by Section 227(3) of the Companies Act, 1956, we report that:

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;.

   iii) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956; and

   v) On the basis of written representations received from the Directors as at 31st March, 2012, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2012, from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

**For Sundar Srini & Sridhar**
Chartered Accountants
*Firm Registration No. 004201S*

**S. Sridhar**
Partner
Membership No. 25504

Place : Chennai
Date : May 26, 2012

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### Annexure to the Auditors' Report:

The Annexure referred to in our report to the members of **TAKE Solutions Limited** ('the company') for the year ended 31st March, 2012. We report that:

1. a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.

   b) The assets have been physically verified by the management at periodic intervals, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

   c) The Company has not disposed off substantial part of its fixed assets, which will affect the going concern status of the Company.

2. a) The Stock of traded goods of the Company has been physically verified at periodic intervals during the year by the management. In our opinion, the frequency of such verification is adequate.

   b) In our opinion, and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion, the company has maintained proper records of inventory. The discrepancies noticed between the physical stocks as verified and the book records were not material and have been properly dealt with in the books of account.

3. a) During the year, the Company has not granted any unsecured loan/advances to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. At the year end, the amount outstanding against the loans granted to two body coporates aggregated to Rs. 183.40 million. The maximum balance outstanding during the year was Rs. 280.84 million.

# AUDITORS' REPORT

b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.

c) In the case of loan granted to the body coporates listed in the register maintained under Section 301 of the Act, the terms of arrangement stipulate repayment schedule, however, the due date for repayment of principal along with interest accrued has not fallen during the financial year. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.

d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of CARO are not applicable to the Company.

e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii) (e) to 4(iii)(g) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been observed in the internal control system..

5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in 5(a) above and exceeding the value of Rs.5 lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable.

7. The Company has an adequate internal audit system, commensurate with the size and nature of the business.

8. Maintenance of cost records has not been prescribed for the Company by the Central Government under section 209(1) (d) of the Companies Act 1956 for any of the services rendered by the Company. Accordingly, paragraph 4(viii) of the Order is not applicable.

9. a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and other material statutory dues have been regularly deposited during the year by the company except for a few instances of delayed payments with the appropriate authorities.

b) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues were in arrears as at March 31, 2012, for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty and Cess, which have not been deposited with the appropriate authorities on account of any dispute except for the following dues under Income Tax Act:

Demand from Income tax authorities for payment of additional tax of Rs. 9.96 Million (net of amount paid to statutory authorities to the extent of Rs. 8.08 Million) has been received upon completion of their tax review for the assessment year 2006-07. Also, Demand for payment of additional tax of Rs. 17.92 Million has been received upon completion of their tax review for the assessment year 2007-08. Similarly, demand for payment of additional tax of Rs.18.67 Million has been received upon completion of tax review for the assessment year 2008-09. For all the above mentioned Assessment Years, the matter is pending before the Income Tax Appellate Tribunal, Chennai.

10. The Financial statements of the Company as at 31st March 2012 do not show any accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediate preceding financial year. Accordingly, paragraph 4(x) of the Order is not applicable.

11. According to the records of the Company examined by us and the information and explanations given to us by the Management, the Company has not defaulted in repayment of dues with respect to loans taken from any financial institutions and banks as at Balance Sheet date.

12. Based on our examination and according to the information and explanations given to us, the company has not granted loans and advances based on security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/society. Accordingly, paragraph 4(xiii) of the Order is not applicable

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.

15. According to the information and explanations given to us, the Company has given guarantee for loans taken by subsidiaries to the extent of INR 3713.55 millions from banks or financial institutions and the terms and conditions whereof are not prejudicial to the interest of the company.

16. During the year, the company has not taken any term loan from financial institutions and banks and hence paragraph 4(xvi) of the Order is not applicable.

17. On the basis of our examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion, funds raised on short-term basis have not been used for long-term investment and vice versa.

18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. The company has not issued any debentures during the year. Accordingly paragraph 4(xix) of the Order is not applicable.

20. The company has not raised any money by issue of shares to public during the year. Accordingly paragraph 4(xx) of the Order is not applicable.

21. According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year under audit.

**For Sundar Srini & Sridhar**
Chartered Accountants
*Firm Registration No. 004201S*

**S. Sridhar**
Partner
Membership No. 025504

Place : Chennai
Date : May 26, 2012

# ABRIDGED BALANCE SHEET

## Abridged Balance Sheet as at

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

(Amount in ₹. Amount in "Mn")

| PARTICULARS | March 31, 2012 | March 31, 2011 |
|---|---|---|
| **I. Sources of Funds** | | |
| **1. Shareholders Funds** | | |
| (a) Capital | | |
| Equity Capital | 120.00 | 120.00 |
| (b) Reserves and surplus | | |
| (i) Capital reserve | 36.25 | 36.25 |
| (ii) Capital redemption reserve | 49.11 | 49.11 |
| (iii) Revenue reserve | 92.09 | 57.02 |
| (iv) Hedging reserve | (24.59) | (39.59) |
| (v) Surplus in profit and loss account | 689.42 | 513.28 |
| (vi) Share premium reserve | 1,955.13 | 1,955.13 |
| (vii) Stock option outstanding | 1.56 | 1.56 |
| **2. Deferred Tax Liabilities** | 23.04 | 31.97 |
| **3. Loan Funds** | | |
| (a) Secured loans | 269.68 | 334.02 |
| (b) Unsecured loans | 160.00 | 160.00 |
| **Total of (1) to (3)** | **3,371.69** | **3,218.75** |
| **II. Application of Funds** | | |
| **1. Fixed assets** | | |
| Net block (original cost less depreciation) | 120.02 | 115.99 |
| **2. Investments** | | |
| (a) Investment in subsidiary companies- Unquoted | 2,343.82 | 1,096.41 |
| (b) Others - Unquoted | 260.00 | 260.00 |
| **3. (i) Current assets, loans and advances** | | |
| (a) Inventories | 0.63 | 0.61 |
| (b) Sundry debtors | 43.95 | 137.57 |
| (c) Cash and bank balances | 60.27 | 93.22 |
| (d) Loans and advances | | |
| (i) To subsidiary companies | 415.84 | 1,533.97 |
| (ii) To firm in which Company is a partner | 288.12 | 181.98 |
| (iii) Others | 138.86 | 101.70 |
| **(ii) Less : Current Liabilities and Provisions** | | |
| (a) Liabilities | 97.78 | 107.07 |
| (b) Provisions | 202.04 | 195.63 |
| **Net current assets (i - ii)** | 647.85 | 1,746.35 |
| **Total of (1) to (3)** | **3,371.69** | **3,218.75** |

**"As per our report attached"**

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration Number 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# ABRIDGED PROFIT AND LOSS ACCOUNT

## Abridged Profit and Loss Account for the year ended

(Statement containing salient features of Profit & Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956

(Amount in ₹. Amount in "Mn")

| PARTICULARS | 31.03.2012 | 31.03.2011 |
|---|---|---|
| **I. Income** | | |
| Revenue from operations | 384.08 | 452.49 |
| Interest | 63.78 | 63.24 |
| Dividend | - | 1.28 |
| Share of Profit from LLP | 276.90 | 117.85 |
| Other Income/(loss) | 41.43 | 4.16 |
| **TOTAL** | **766.19** | **639.02** |
| **II. Expenditure** | | |
| Cost of Goods Sold & Other Direct Cost | 61.73 | 64.95 |
| Selling expenses | 17.03 | 17.52 |
| Salaries, Wages and other employee benefits | 83.43 | 87.37 |
| Managerial remuneration | 6.50 | 5.49 |
| Interest | 46.88 | 40.36 |
| Depreciation and amortization | 45.34 | 55.82 |
| Auditor's remuneration | 1.50 | 1.25 |
| Bad debts | 0.82 | 0.08 |
| Other expenses | 116.13 | 98.12 |
| **TOTAL** | **379.36** | **370.96** |
| **III. Profit Before Tax (I -II)** | 386.83 | 268.06 |
| **IV. Provision For Taxation** | 36.13 | 34.36 |
| **V. Profit After Tax (III - IV)** | 350.70 | 233.70 |
| **VI. Dividend** | | |
| Equity shares | 119.63 | 119.63 |
| Tax on dividend | 19.86 | 20.33 |
| **VII. Transfer To Reserves/Surplus** | **211.21** | **93.74** |

**"As per our report attached"**

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration Number 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# ABRIDGED CASH FLOW STATEMENT

## Abridged Cash Flow Statement for the year ended

(Amount in ₹ Amount in "Mn")

| PARTICULARS | 31.03.2012 | 31.03.2011 |
|---|---|---|
| **A) Cash Flows From Operating Activities** | | |
| **Net profit before tax** | 386.83 | 268.06 |
| Adjustments to reconcile net profit before tax to cash provided by operating activities | | |
| Depreciation and amortization | 45.34 | 55.82 |
| Interest and dividend income | (63.78) | (64.52) |
| Interest expenses | 46.88 | 40.36 |
| (Profit)/loss on sale of Fixed Assets | 0.12 | (0.26) |
| Foreign exchange adjustment - Loss/(Gain) | (7.79) | 18.72 |
| Provision for Gratuity, Compensation absences & other benefits | (0.28) | 1.80 |
| Impairment | – | 0.50 |
| Bad debts written off | 0.82 | 0.08 |
| **Changes in working capital** | | |
| (Increase)/Decrease in current assets other than cash & cash equivalents | 1,087.65 | (485.00) |
| Increase/(Decrease) in current liabilities & provisions | (24.30) | 14.08 |
| Net cash generated from operations | 1,471.49 | (150.36) |
| Interest paid - working capital loans | (13.66) | (10.20) |
| Direct taxes paid | (40.31) | (4.16) |
| **Net Cash From/ (Used In) Operating Activities** | **1,417.52** | **(164.72)** |
| **B) Cash Flows From Investing Activities** | | |
| Purchase of fixed assets | (49.18) | (0.19) |
| Sale of Fixed Assets | 5.17 | 6.64 |
| Product development expenses | (5.99) | (44.69) |
| Investments in Equity Shares in Subsidiary Companies | (1,809.35) | (5.14) |
| Interest and dividend received | 63.78 | 64.52 |
| Divestment of Equity Shares in Subsidiary Companies | 561.94 | - |
| **Net Cash From/(Used In) Investing Activities** | **(1,233.63)** | **21.14** |
| **C) Cash Flows From Financing Activities** | | |
| Proceeds from short term borrowings | - | 160.00 |
| Net movement in working capital demand loans | (29.59) | 102.06 |
| Repayment of long term borrowings | (34.75) | (19.98) |
| Dividends paid | (119.63) | (24.48) |
| Interest on long term borrowings | (33.23) | (30.18) |
| **Net Cash From/ (Used in) Financing Activities** | **(217.20)** | **187.42** |
| **Net Increase/(Decrease) In Cash and Cash Equivalents** | (33.31) | 43.84 |
| Add: Cash And Cash equivalents at the beginning of the Year | 81.97 | 38.13 |
| **Cash And Cash Equivalents at The End of The Year** | **48.66** | **81.97** |
| *Refer Note no. 2.17 in Note forming part of the annual standalone financial statements* | | |
| Margin Money deposit | 11.00 | 11.00 |
| Unclaimed dividend | 0.61 | 0.25 |
| **Cash & Bank Balances** | **60.27** | **93.22** |

**"As per our report attached"**

**For Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration Number 004201S

**S.Sridhar**
Partner
Membership No: 025504

Place : Chennai
Date: May 26, 2012

**For and on behalf of the Board of Directors**

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

# NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

## 1. Company overview

TAKE Solutions Limited(referred to as 'TAKE' or 'the Company') and its subsidiaries provide a wide range of information technology and consultancy services specifically in two of its major business verticals namely Life Sciences (LS) and Supply Chain Management (SCM). The Company has accelerated its software product development life cycles along with other services in the LS Segment and also offers a unique combination of services including E- Business solutions in the SCM segment.

As of March 31, 2012, TAKE Solutions Pte Limited owned 57.89% of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Chennai and it has 22 subsidiaries across the globe.

The abridged financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the annual accounts for the year ended March 31, 2012.

(Note 1 in the Notes forming part of the annual standalone financial statements)

## 2. Notes forming part of the Financial Statements

Amounts in the abridged financial statements are presented in ₹ Mn, except for per share data and as otherwise stated.

## Explanation to the Abridged Financial Statement

(a) Assets and Liabilities include balances which are both current and non-current in nature.

(b) The previous year figures have been regrouped/reclassified, wherever necessary, to conform to the current presentation.

(c) The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied by the Company and are consistent with those used during the previous year.

## 3. Contingent Liabilities

₹ in Mn

| Particulars | Year ended March 31, 2012 | Year ended March 31, 2011 |
|---|---|---|
| Corporate guarantee gien by the Company to its direct and indirect subsidiaries. | | |
| a) APA Engineering Private Limited, India | 20.00 | 20.00 |
| b) TAKE Global Ltd, UK | 1107.46 | 976.06 |
| c) CMNK Computer Systems Pte Limited, Singapore | 114.58 | NIL |
| d) TAKE Global Holdings Pte Ltd, Singapore | 2278.50 | NIL |
| Corporate guarantee given by the Company to its Limited Liability Partnership | | |
| TAKE Solutions Global LLP | 193.01 | 215.00 |
| Claims against the Company, not acknowledged as debts | 54.62 | 54.62 |

Claims against the Company not acknowledged as debts is in respect to demand from Indian Income Tax Authorities for payment of additional tax of ₹ 54.62 Mn (₹ 54.62 Mn) upon completion of their tax review for the Assessment Years 2006-07, 2007-08 and 2008-09. The tax demand is mainly on account of disallowance of Software Product Development expenses claimed by the Company as revenue expenditure and instead allowing the same as a capital expenditure with consequential depreciation. The matter is pending before the Commissioner of Income Tax (Appeals), Chennai.

On May 23, 2008 the Company has received an order for the Assessment Year 2003-04 from Income Tax Appellate Tribunal (ITAT) disallowing the Software Product expenses claimed by the Company as revenue expenditure and instead allowing the same as a capital expenditure with consequential depreciation and thereby reducing the benefit of carrying forward of losses by ₹ 15.91 Mn to the subsequent Assessment Years. However, no demand has been raised for the said Assessment Year. The Company has filed an appeal with the Honorable High Court of Tamil Nadu against the order of ITAT. The Management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operation and hence, no adjustment has been made to the Financial Statements for the year ended March 31, 2012.

The Company is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the Financial Statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of its operations.

(Note no. 2.30 in the Notes forming part of the annual standalone Financial Statements).

## 4. Quantitative details.

The Company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5(viii)(c ) of general instructions for preparation of the Statement of Profit and Loss as per revised Schedule VI to the Companies Act,1956.

# NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

## 5. Related Party Disclosure & Transactions

(a) List of related parties

**Holding Company**

TAKE Solutions Pte. Limited, Singapore

**Subsidiaries (held directly)**

1. APA Engineering Private Limited, India
2. TAKE Business Cloud Pvt Limited, India ( Formerly known as CMNK Consultancy & Services Private Limited, India)
3. TAKE Solutions Global Holdings Pte. Limited, Singapore

**Subsidiaries (held indirectly)**

4. RPC Power India Private Limited, India (by virtue of control over composition of Board of Directors)
5. TOWELL - TAKE Investments LLC, Sultanate of Oman
6. TOWELL-TAKE Solutions LLC, Sultanate of Oman
7. TAKE Solutions MEA Limited, UAE
8. Mirnah Technology Systems Limited, Saudi Arabia
9. Applied Clinical Intelligence, LLC, USA
10. TAKE Enterprise Services Inc, USA
11. TAKE Intellectual Properties Management Inc, USA
12. TAKE Solutions Information Systems Pte. Limited, Singapore
13. TAKE Solutions Inc, USA
14. TAKE Supply ChainDeMexicoS De RI Cv, Mexico (Added during the year)
15. CMNK Computer Systems Pte. Limited, Singapore
16. TAKE Global Limited, UK
17. WCI Consulting Group Limited, UK
18. WCI Consulting Limited, UK
19. WCI Consulting Limited, USA
20. TAKE 10 Solutions Private Limited, India (Added during the year)
21. Million Star Technologies Limited, Mauritius (Added during the year)

**Partner in Limited Liability Partnership**

1. TAKE Solutions Global LLP, India.

**Key Management Personnel**

1. Mr. S. Sridharan, Managing Director
2. Mr. Srinivasan H.R., Vice Chairman & Non - Executive Director
3. Mr. D.V. Ravi, Non - Executive Director

**Enterprises over which Key Management Personnel and their relatives exercise significant influence with whom transactions have taken place during the year**

1. Aakanksha Management Consultancy & Holdings Private Limited, India
2. Shriram Capital Limited, India

**Other Related Party**

1. TAKE Solutions Limited ESOP Trust, India- the trust is effectively controlled by the company.
2. W J Towell& Co. LLC, Sultanate of Oman , Joint Venture Partner

# NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(b) The details of amounts due to or due from Related Parties as at March 31, 2012 and March 31, 2011 are as follows:

₹ in Mn

| Particulars | Year ended March 31,2012 | Year ended March 31, 2011 |
|---|---|---|
| Trade Receivables - Subsidiaries | 28.47 | 82.23 |
| Trade Payables - Subsidiaries | 2.70 | 15.50 |
| Loans and Advances Receivable from Subsidiaries & LLP | 467.01 | 1585.14 |
| Advances from Subsidiaries | 28.65 | 2.18 |
| Share of Profit from LLP - Receivable | 226.81 | 120.67 |

(c) The details of the Related Party Transactions entered into by the Company for the years ended March 31, 2012 and March 31, 2011 are as follows:

₹ in Mn

| Particulars | Year ended March 31,2012 | Year ended March 31, 2011 |
|---|---|---|
| Revenue – Subsidiaries & LLP | 53.26 | 131.37 |
| Revenue – Other Related Parties | – | 3.25 |
| Interest income - Subsidiaries | 39.30 | 38.59 |
| Share of profit – LLP | 276.90 | 117.85 |
| Sale of fixed assets - LLP | 5.18 | 5.87 |
| Dividend income - Subsidiaries | – | 1.21 |
| Cost of revenue - Subsidiaries | 7.22 | 6.95 |
| Dividend paid to Holding Company | 70.86 | 13.98 |
| Loans & advances – given to Subsidiaries & LLP | – | 192.80 |
| Repayment of loan by Subsidiaries | 1172.66 | 47.41 |

(Refer to Note no. 2.26 in the Notes forming part of the annual standalone Financial Statements).

## 6. Investments

(a) During the year, the Company has further invested ₹ 1,809.35 Mn [44,099,100 Equity Shares of Singapore $ one each] at face value in its wholly owned subsidiary TAKE Solutions Global Holdings Pte. Limited., Singapore.

(b) During the year, as part of the internal restructuring process, the Company had sold its entire holdings in TAKE Solutions Inc, USA and in Towell TAKE Investments LLC, Sultanate of Oman, for a total consideration of ₹ 501.13Mn and ₹ 60.81 Mn respectively to one of its wholly owned subsidiaries TAKE Solutions Global Holdings Pte. Ltd., Singapore at cost. As a result, no profit or loss has been recognized during the year in the Profit and Loss Account.

(Refer to Note no. 2.12 in the Notes forming part of the annual standalone Financial Statements).

## 7. Transactions with Key Management personnel

Particulars of remuneration and other benefits paid to Whole Time Directors, Non-Executive Directors and Independent Directors for the years ended March 31, 2012 and March 31, 2011 are as follows:

₹ in Mn

| Particulars | Year ended March 31,2012 | Year ended March 31, 2011 |
|---|---|---|
| **Whole time Directors** | | |
| Remuneration (including Company's Contribution to PF) | 6.50 | 5.49 |
| **Non Executive Directors** | | |
| Remuneration | - | 2.80 |
| **Independent Directors** | | |
| Commission | 1.80 | 1.80 |
| Sitting Fee | 0.52 | 0.64 |

## 8. Dues to Micro, small and medium enterprises

The Company has no dues to micro, small and medium enterprises as at March 31, 2012 and March 31, 2011.

(Refer to Note no. 2.28 in the Notes forming part of the annual standalone Financial Statements).

## 9. Segment Reporting

The Company has identified Business Segment as its Primary segment and Geographic segment as its Secondary segment. The Company has identified Software Services & Products and Sale of IT Infrastructure & Support Services as the reportable business segment of the Company for the year. Geographical segment information is disclosed based on the location of customers.

Revenues and Expenses that are directly identifiable with the Segments have been disclosed accordingly. Certain Income and Expenses which are not specifically allocable to individual segments have been disclosed as "Unallocated Corporate Income" and "Unallocated Corporate Expenses" respectively.

The assets of the Company are used interchangeably between segments and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

₹ in Mn

**Primary Segment Information (Business Segment):**

| Particulars | Business Segments | | Total |
|---|---|---|---|
| | Software Services & Products | Sale of IT Infrastructure & Support Services | |
| Revenue | **322.89** | **61.19** | **384.08** |
| | *(384.56)* | *(67.93)* | *(452.49)* |
| Segmant Result | 124.68 | 11.36 | 136.04 |
| | (171.09) | (13.96) | (185.05) |
| Unallocated Corporate Income | | | **382.11** |
| | | | *(186.52)* |
| Unallocated Corporate Expenses | | | **51.70** |
| | | | *(60.68)* |
| Interest Expense | | | **79.62** |
| | | | *(42.84)* |
| Tax Expense | | | **36.13** |
| | | | *(34.35)* |
| Net Profit after Tax Expense | | | **350.70** |
| | | | *(233.70)* |

Previous year figures are shown in Italics in brackets.

# NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

**Secondary Segment Information (Geographic Segment):**

₹ in Mn

| Revenues | Year ended March 31, 2012 | Year ended March 31, 2011 |
|---|---|---|
| India | 332.64 | 318.22 |
| USA | 47.17 | 118.88 |
| Rest of the world | 4.27 | 15.39 |

*(Refer to Note no. 2.25 in the Notes forming part of the annual standalone FInancial Statements).*

## 10. Important Ratios

| Revenues | Year ended March 31, 2012 | Year ended March 31, 2011 |
|---|---|---|
| Sales to Total Assets Ratio (times) | 0.11 | 0.14 |
| Operating Profit / Average Capital Employed Ratio (%) | 8.28 | 11.19 |
| Return on Average Net Worth (%) | 12.50 | 8.87 |
| Profit After Tax* to Sales Ratio (%) | 91.21 | 25.60 |

* Profit After Tax exclude Share of Profit from LLP.

(The unabridged standalone Audited Financial Statements is available on our website, www.takesolutions.com)

# STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SEC 212(8)

(Amount in ` Mn except Exchange rate)

| Subsidiary | Country | Reporting Currency | Exch Rate (Rs.) | Issued and Subscribed Share Capital | Reserves | Total Assets | Total Liabilities | Investments | | | Turnover | Profit/(Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation | Proposed Dividend |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Long-term | Current | Total | | | | | |
| APA Engineering Private Limited | India | INR | 1.00 | 0.52 | 68.93 | 223.66 | 154.22 | - | 1.60 | 1.60 | 495.84 | 15.95 | 6.77 | 9.18 | - |
| TAKE Business Cloud Private Limited (erstwhile known as CMNK Consultancy & Services Private Limited) | India | INR | 1.00 | 50.00 | 449.26 | 759.49 | 260.23 | 0.00 | 240.00 | 240.00 | - | 3.83 | 2.63 | 1.19 | - |
| TAKE Solutions Global Holdings Pte. Ltd. | Singapore | SGD | 41.44 | 1,827.66 | 454.10 | 5,280.40 | 2,998.64 | - | - | - | 5,695.49 | 653.55 | 71.21 | 582.34 | - |
| TAKE Solutions Global LLP | India | INR | 1.00 | 0.10 | 230.20 | 753.89 | 523.59 | - | - | - | 851.01 | 374.24 | 94.54 | 279.70 | - |

**Comparision to : 2010-11**

| Subsidiary | Country | Reporting Currency | Exch Rate (Rs.) | Issued and Subscribed Share Capital | Reserves | Total Assets | Total Liabilities | Investments | | | Turnover | Profit/(Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation | Proposed Dividend |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Long-term | Current | Total | | | | | |
| TAKE Solutions Inc. | USA | USD | 45.40 | 1,470.90 | (546.54) | 1,927.85 | 956.63 | - | - | - | 2,211.60 | 201.74 | 14.00 | 187.74 | - |
| Towell - TAKE Investments LLC | Oman | OMR | 118.24 | 117.76 | 8.38 | 408.66 | 193.75 | - | - | - | 591.70 | 20.15 | 4.34 | 15.81 | - |
| APA Engineering Private Limited | India | INR | 1.00 | 0.52 | 63.37 | 193.75 | 105.50 | 1.60 | - | 1.60 | 458.42 | 15.67 | 0.09 | 15.59 | 2.08 |
| CMNK Consultancy & Services Private Limited | India | INR | 1.00 | 50.00 | 765.88 | 2,250.50 | 1,434.62 | 947.23 | 240.00 | 1,187.23 | 1,233.14 | 272.40 | 1.92 | 270.49 | - |
| TAKE Solutions Global Holdings Pte. Ltd. | Singapore | SGD | 35.98 | 0.36 | 12.24 | 1,369.41 | 1,356.81 | - | - | - | 179.79 | 24.33 | 9.82 | 14.50 | - |
| TAKE Solutions Global LLP | India | INR | 1.00 | 0.10 | 121.89 | 372.16 | 250.17 | - | - | - | 240.96 | 119.47 | 0.43 | 119.04 | - |

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**I Registration Details**

Registration No. L 6 3 0 9 0 T N 2 0 0 0 P L C 0 4 6 3 3 8

Balance Sheet Date : 3 1 0 3 2 0 1 2 (Date Month Year)

State Code: 1 8

**II Capital raised during the year (Amount in ₹ Thousands)**

| | | | |
|---|---|---|---|
| Public Issue: | | Rights Issue: | |
| Bonus Issue: | NIL | Private Placement: | NIL |
| | NIL | | NIL |

**III Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)**

| | | | |
|---|---|---|---|
| Total Liabilities: | 3371690 | Total Assets: | 3371690 |
| Sources of Funds Paid up Capital | 1200000 | Reserves & Surplus | 2798970 |
| Secured Loans | 2696800 | Unsecured Loans | 1600000 |
| Deferred Tax Liability | 23040 | | |
| Application of Funds Net Fixed Assets | 690300 | Investments | 2603820 |
| Net Current Assets | 6478500 | Misc. Expenditure | NIL |
| Accumulated Losses | NIL | Deferred Tax Asset | NIL |
| Capitalised Software Product Costs | 50990 | | |

**IV Performance of Company (Amount in ₹ Thousands)**

| | | | |
|---|---|---|---|
| Turnover | 766190 | Total Expenditure | 379360 |
| Profit/Loss Before Tax | 386830 | Profit / Loss After Tax | 350701 |
| Earning Per Share in Rs | 2.92 | Dividend Rate % | 100 |

**V Generic Names of Principal Products of the Company**

Item Code No. (ITC Code) 85243111

Product Description SOFTWARE DEV PRODUCT & SERVICES

**S. Sridharan**
Managing Director

**D.V. Ravi**
Director

**P. Srinivasan**
Company Secretary

Place : Chennai
Date: May 26, 2012

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