

INDEPENDENT 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 2014, 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 Statements

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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

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

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and 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 sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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 Sridhar & Sridhar
Chartered Accountants
Firm Registration No. 0042015

S. Sridhar
 Partner

Place: Chennai
Date: May 20, 2014

Membership No.025504

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of **TAKE Solutions Limited** ('the company') for the year ended 31st March, 2014.

We report that:

- (i) 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.
- (ii) 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.
- (iii) 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 subsidiary body corporates aggregated to ₹ 65.60 Mn. The maximum balance outstanding during the year was ₹ 122.95 Mn.
- 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 corporates 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.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business 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.
- (v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in v(a) above and exceeding the value of ₹ 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.
- (vi) The Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable.
- (vii) The Company has an adequate internal audit system, commensurate with the size and nature of the business.
- (viii) 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.
- (ix) 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 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, 2014, 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:
 - (i) Demand Notice from the Indian Income Tax Authorities for the payment of additional tax of ₹116.74 Mn (₹ 34.85 Mn), including interest of ₹ 87.59 Mn has been received upon completion of their tax review for Assessment Years 2005 -06 to 2011-12. These income tax demands are mainly on account of disallowance of in-house product development expenses for the AYs 2005-06 to 2010-11 and also on account of

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

disallowance of deduction claimed U/s. 10A for the AYs 2006-07 and 2007-08. Further for AY 2006-07 demand was also raised on account of including the profits earned by foreign subsidiaries in the Company's taxable profits. For the AYs 2006-07 and 2007-08, the appeal is pending before Commissioner of Income Tax (Appeals), Chennai and in Honourable High Court of Judicature at Madras. For the AY 2008-09, the matter is pending before Honourable High Court of Judicature at Madras. For the AYs 2009-10 and 2010-11, the appeal is pending before Commissioner of Income Tax (Appeals), Chennai.

- (ii) The Company has received a revised order for the AYs 2002-03 and 2003-04 from Assistant Commissioner of Income Tax 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 ₹ 23.69 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 Honourable High Court of Judicature at Madras against the order of ACIT.
- (x) The Financial statements of the Company as at 31st March 2014 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by subsidiaries to the extent of ₹ 4,115.79 Mn from banks or financial institutions and the terms and conditions whereof are not prejudicial to the interest of the company.
- (xvi) 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.
- (xvii) 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.

- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the year. Accordingly paragraph 4(xix) of the Order is not applicable.
- (xx) 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.
- (xxi) 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 Sridi & Sridhar

Chartered Accountants

Firm Registration No: 0042015

S. Sridhar

Partner

Membership No.025504

Place: Chennai

Date: May 20, 2014

STANDALONE BALANCE SHEET

Standalone Balance Sheet as at

₹ Mn

PARTICULARS	Note	March 31, 2014	March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2.1	120.00	120.00
(b) Reserves and Surplus	2.2	3,080.72	3,050.18
(2) Non-current liabilities			
(a) Long-term borrowings	2.3	-	42.25
(b) Deferred tax liabilities (Net)	2.4	-	11.87
(c) Long - term provisions	2.5	5.82	13.73
(3) Current liabilities			
(a) Trade payables	2.6	35.39	24.06
(b) Other current liabilities	2.7	14.55	154.89
(c) Short-term provisions	2.8	78.98	84.32
Total		3,335.46	3,501.30
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2.9		
(i) Tangible assets		11.48	12.70
(ii) Intangible assets		9.02	61.62
(b) Non-current investments	2.10	2,343.82	2,343.82
(c) Deferred tax assets (net)	2.11	0.50	-
(d) Long - term loans and advances	2.12	14.12	128.79
(2) Current assets			
(a) Current investments	2.13	500.00	260.00
(b) Inventories	2.14	0.02	0.41
(c) Trade receivables	2.15	25.92	65.38
(d) Cash and cash equivalents	2.16	42.40	79.39
(e) Short-term loans and advances	2.17	388.18	549.19
Total		3,335.46	3,501.30
Notes forming part of the financial statements	1 & 2		

As per our report attached

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration : 0042015

S.Sridhar
Partner
Membership No: 025504

Place : Chennai
Date : May 20, 2014

For and on behalf of the Board of Directors

Srinivasan H. R.
Managing Director

D.V. Ravi
Director

C.M. Lakshmi
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended

₹ Mn, except per share data

PARTICULARS	Note	March 31, 2014	March 31, 2013
I. Revenue from Operations	2.18	260.15	295.15
II. Other Income	2.19	221.88	411.78
III. Total Revenue (I+II)		482.03	706.93
IV. Expenses			
Cost of Revenue	2.20	84.09	40.44
Employee Benefit Expenses	2.21	62.52	98.06
Finance Costs	2.22	23.36	41.09
Depreciation, Impairment and Amortization	2.9	38.28	15.52
Amortization expense	2.9	15.51	30.36
Other Expenses	2.23	77.74	98.50
Total expenses		301.50	323.97
V. Profit before tax (III-IV)		180.53	382.96
VI. Tax expense			
(1) Current Tax		21.81	27.69
(2) Deferred Tax		(12.38)	(11.17)
VII. Profit/(Loss) for the year (V - VI)		171.10	366.44
VIII. Earnings per equity share			
Equity shares of par value ₹ 1/- each			
Basic		1.43	3.05
Diluted		1.42	3.05
Weighted average number of equity shares used in computing earnings per share			
Basic		120,000,000	120,000,000
Diluted		120,206,000	120,223,000
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 & 2		

As per our report attached

For Sundar Srini & Sridhar
Chartered Accountants
 Firm Registration : 0042015

S.Sridhar
Partner
 Membership No: 025504

Place : Chennai
 Date : May 20, 2014

For and on behalf of the Board of Directors

Srinivasan H. R.
Managing Director

D.V. Ravi
Director

C.M. Lakshmi
Company Secretary

STANDALONE CASH FLOW STATEMENT

Cash Flow Statement for the year ended

₹ Mn

PARTICULARS	March 31, 2014	March 31, 2013
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX	180.53	382.96
Adjustments for		
Depreciation	38.28	13.41
Interest Expense	9.67	19.52
Interest Income	(52.95)	(49.63)
(Profit)/Loss on Sale of Fixed Assets	-	0.53
Provision for Gratuity, Compensated absences & Other benefits	(7.74)	5.80
Employee Stock Option Expense	(0.13)	(0.24)
Foreign Exchange Adjustments- Loss/ (Gain)	(2.38)	(3.51)
Product Development Expenses written off	15.51	30.36
Bad Debts written off	-	0.07
Impairment	-	2.11
Operating Profit before working Capital Changes	180.79	401.38
(Increase)/Decrease in Loans & Advances and Other Assets	282.58	101.34
Increase/ (Decrease) in Liabilities and Provisions	(60.95)	28.87
Cash flow from/ (used in) Operations	402.42	531.59
Interest - Working Capital Loans	(9.67)	(10.90)
Direct Taxes paid	(22.92)	(31.78)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	369.83	488.91
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(1.18)
Purchase of Investments	(240.00)	-
Sale of Fixed Assets	0.04	0.46
Interest Income	52.95	49.63
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	(187.01)	48.91
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Working Capital Demand Loans	-	(259.65)
Repayment of Long term Borrowings	(110.34)	(59.69)
Dividends Paid	(119.63)	(191.42)
Interest-Long Term Loans	-	(8.62)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(229.97)	(519.38)
Net Increase/(Decrease) in Cash & Cash equivalents	(47.15)	18.44
Add: Cash and Cash equivalents as at the beginning of the year	67.10	48.66
Cash & Cash equivalents as at the end of the year	19.95	67.10
Margin Money Deposit	21.00	11.00
Unclaimed dividend	1.45	1.29
Cash & Cash Equivalents as per Balance Sheet - Note No. 2.16	42.40	79.39
Notes forming part of the financial statements - Notes 1 & 2		

As per our report attached

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration : 0042015

S.Sridhar
Partner
Membership No: 025504

For and on behalf of the Board of Directors

Srinivasan H. R.
Managing Director

D.V. Ravi
Director

C.M. Lakshmi
Company Secretary

Place : Chennai
Date : May 20, 2014

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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, 2014, TAKE Solutions Pte. Ltd. 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 20 subsidiaries across the globe.

1. Significant accounting policies

1.1: Disclosure of Accounting Policies

a) Basis of preparation of financial statements

These financial statements are prepared and presented 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 read with General Circular No.15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 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.

b) 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 the Company may undertake in future, actual results ultimately may differ from those estimates. Any revision to accounting estimates is recognized prospectively in future periods.

1.2: Inventories

Inventories are valued at the lower of cost measured on weighted average basis and net realizable value. Cost includes, purchase price and all other costs like duties & taxes incurred in bringing the inventories to the present location and condition.

1.3: 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.

1.4: Depreciation

Fixed assets are depreciated on Straight Line Method (SLM) at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956. For the assets acquired during the year, depreciation has been charged on pro-rata basis. Individual low costs assets (acquired for ₹ 5,000 or less) are depreciated in the year of purchase.

1.5: Revenue Recognition

a. Software Services & Products

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

- i) Revenue from fixed-price contracts is recognized 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.
- ii) 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.
- iii) Revenue from product sale and licensing arrangements are recognized on delivery and installation.

b. Sale of IT Infrastructure and 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.

c. Other Income

- (i) Interest income is recognized using time proportion method based on rates implicit in the transaction.
- (ii) Share of profit from TAKE Solutions Global LLP has been recognized on accrual basis.
- (iii) Dividend income is recognized when the company's right to receive dividend is established.
- (iv) Miscellaneous income is recognized on accrual basis.

1.6: Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. Fixed assets are capitalized at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use.

1.7: Foreign Currency Transactions

- a) **Conversion** - 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.
- b) **Initial Recognition** - Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- c) **Exchange Differences** - 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: Investments

- a) Long-term investments are carried at cost. Cost comprises of transfer fee, stamp paper, brokerage etc. Cost of investments in overseas subsidiaries comprises the consideration paid for the investment translated in rupee terms. Any decline in the value of the long-term investments, other than a temporary decline, is recognized and charged to the Statement of Profit and Loss.
- b) Current Investments are carried at the lower of cost (determined on the specific identification basis) and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.
- c) Profit or Loss on sale of investments is determined on specific identification basis.

1.9: Employee benefits

a. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the year in which the services are rendered by the employee.

b. Gratuity

Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the Balance Sheet date, carried out by an independent actuary.

c. Leave Encashment

Provision for leave encashment benefits is made based on the actuarial valuation as at the Balance Sheet date, carried out by an independent actuary.

1.10: Borrowing Cost

Borrowing Cost on qualifying asset is commenced for capitalization when the expenditure on Qualifying asset and borrowing cost are incurred. Further capitalization ceases, when all activities necessary for making assets ready for intended use are substantially complete.

1.11: Tax Expense

a) Current Tax:

Income taxes are accrued in the same period that the related revenue and expenses arise. A Provision is made for Income Tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

b) Deferred Tax:

Deferred Tax is recognized on timing differences being the difference between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets are recognized only if there is a reasonable certainty of their realization.

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

1.12: Intangible Assets

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 years from the launch date and the unamortized product costs as at Balance Sheet date are shown under Intangible Assets under Fixed Assets separately.

1.13: 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. A sum of ₹ Nil (₹2.11Mn) has been recognized as Impairment loss for the financial year ended March 31, 2014.

1.14: Provisions, Contingent Liabilities and 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 & Loss upon the occurrence of hedged transactions. The ineffective portion is recognized immediately in Statement of Profit and Loss as and when they arise.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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, 2014 is ₹ Nil (₹ 28.99 Mn).

2 Notes on Accounts

2.1 SHARE CAPITAL

Particulars of Authorised, Issued and Paid up Capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹ Mn	Number	₹ Mn
Authorised				
Equity Shares of ₹ 1 each	350,000,000	350.00	350,000,000	350.00
Preference Shares of ₹ 10 each	15,000,000	150.00	15,000,000	150.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 1 each fully paid	122,400,000	122.40	122,400,000	122.40
Less : Shares allotted to 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 shares allotted to the trust, no shares have been transferred to employees' upto March 31, 2014. 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, 2014		As at March 31, 2013	
	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 shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' 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, except in case of interim dividend.

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 year is as given below:

Sl. No.	Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	TAKE Solutions Pte Ltd	70,856,250	57.89	70,856,250	57.89
2	Shriram Venture Limited	7,866,457	6.43	*	*
3	Ashish Dhawan	6,524,366	5.33	6,524,366	5.33

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 authorized 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.

	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	175,500	47,500
6. Option granted during the year	Nil	Nil
7. Option lapsed and /or withdrawn during the year	17,000	Nil
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	158,500	47,500
- Options yet to vest	---	---

2.2.Reserves and Surplus

Reserves and Surplus consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Capital Reserve at the beginning and end of the year	36.25	36.25
	36.25	36.25
Capital Redemption Reserve at the beginning and end of the year	49.11	49.11
	49.11	49.11
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
Share Option Outstanding Account		
Opening balance	1.31	1.56
(+) Current year transfer	-	-
(-) Written back during the year	(0.13)	(0.25)
Closing balance	1.18	1.31

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Hedging Reserve		
Opening balance	-	(24.59)
(+) Current year transfer	-	24.59
Closing balance	-	-
General Reserve		
Opening balance	128.73	92.09
(+) Current year transfer	17.11	36.64
Closing balance	145.84	128.73
Surplus (Balance in Statement of profit and loss)		
Opening balance	879.65	689.34
(+) Net profit after tax transferred	171.10	366.44
Amount available for appropriation	1,050.75	1,055.78
Appropriations:		
(-) Interim dividend	71.78	71.78
(-) Final dividend	47.85	47.85
(-) Dividend tax	20.80	19.86
(-) General reserve	17.11	36.64
	893.21	879.65
Total	3,080.72	3,050.18

The Board of Directors at its meeting held on May 20, 2014 has recommended a final dividend of ₹ 0.40 per equity share.

Non-current liabilities

2.3 LONG TERM BORROWINGS

Long Term Borrowings consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Term Loans – From Banks		
External commercial borrowings	-	42.25
Total	-	42.25

External Commercial Borrowings (ECB) represents the amount borrowed from CITI Bank N.A. and DBS Bank Limited and the same has been pre-closed during the year.

2.4 DEFERRED TAX LIABILITIES (Net)

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Fixed Assets	-	9.91
Product development expenditure	-	6.69
Employee benefits	-	(4.73)
Total	-	11.87

2.5 LONG TERM PROVISIONS

Long – term provisions consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Provision for Employee Benefits	5.82	13.73
Total	5.82	13.73

Provision for employee benefit includes provision for gratuity and other retirement benefits.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Following table sets out status of the gratuity plan as required under AS 15 (Revised) (₹ Mn)

I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	As at March 31, 2014	As at March 31, 2013
Discount Rate	9.10%	8.10%
Salary escalation rate	7.00%	7.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	0.00%	0.00%
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
PVO as at the beginning of the period	11.91	7.06
Interest Cost	0.60	0.57
Current service cost	0.55	1.29
Past service cost - (non-vested benefits)	0.00	0.00
Past service cost - (vested benefits)	0.00	0.00
Benefits paid	(8.88)	(1.00)
Actuarial loss/(gain) on obligation (balancing figure)	1.47	3.99
PVO as at the end of the period	5.65	11.91
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
Fair value of plan assets as at the beginning of the period	0.00	0.00
Expected return on plan assets	0.00	0.00
Contributions	8.88	1.00
Benefits paid	(8.88)	(1.00)
Actuarial gain/(loss) on plan assets [balancing figure]	0.00	0.00
Fair value of plan assets as at the end of the period	0.00	0.00
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	0.00	0.00
Actuarial gain/(loss) on plan assets	0.00	0.00
Actual return on plan assets	0.00	0.00
V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain / (loss) for the period - Obligation	(1.47)	(4.00)
Actuarial gain / (loss) for the period- Plan Assets	0.00	0.00
Total (gain) / loss for the period	1.47	4.00
Actuarial (gain) / loss recognized in the period	1.47	4.00
Unrecognized actuarial (gain) / loss at the end of the year	0.00	0.00
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	5.65	11.91
Fair value of plan assets	0.00	0.00
Difference	5.65	11.91
Unrecognised transitional liability	0.00	0.00
Unrecognised past service cost - non vested benefits	0.00	0.00
Liability recognized in the balance sheet	5.65	11.91

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2014	As at March 31, 2013
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	0.55	1.29
Interest Cost	0.60	0.57
Expected return on plan assets	0.00	0.00
Net actuarial (gain)/loss recognised in the year	1.47	4.00
Transitional Liability recognised in the year	0.00	0.00
Past service cost - non-vested benefits	0.00	0.00
Past service cost - vested benefits	0.00	0.00
Expenses recognized in the statement of profit and loss	2.62	5.85
VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	11.91	7.06
Expense as above	2.62	5.85
Contribution paid	(8.88)	(1.00)
Closing net liability	5.65	11.91
IX. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	5.65	11.91
Plan Assets	0.00	0.00
Surplus (Deficit)	(5.65)	(11.91)
Experience adjustments on plan liabilities -(loss)/gain	(1.92)	(1.21)
Experience adjustments on plan assets -(loss)/gain	0.00	0.00
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Government of India Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others (to specify)	0.00%	0.00%
Total	0.00%	0.00%
XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR	0.00	0.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Following table sets out status of the Leave Encashment as required under AS 15 (Revised) (₹ Mn)

Particulars	As at March 31, 2014	As at March 31, 2013
I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	9.10%	8.10%
Salary escalation rate	7.00%	7.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	0.00%	0.00%
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
PVO as at the beginning of the period	2.66	1.72
Interest Cost	0.15	0.14
Current service cost	0.29	0.61
Past service cost - (non-vested benefits)	0.00	0.00
Past service cost - (vested benefits)	0.00	0.00
Benefits paid	(1.67)	(0.19)
Actuarial loss/(gain) on obligation (balancing figure)	(0.25)	0.38
PVO as at the end of the period	1.18	2.66
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
Fair value of plan assets as at the beginning of the period	0.00	0.00
Expected return on plan assets	0.00	0.00
Contributions	1.67	0.19
Benefits paid	(1.67)	(0.19)
Actuarial gain/(loss) on plan assets [balancing figure]	0.00	0.00
Fair value of plan assets as at the end of the period	0.00	0.00
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	0.00	0.00
Actuarial gain (loss) on plan assets	0.00	0.00
Actual return on plan assets	0.00	0.00
V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain / (loss) for the period - Obligation	0.25	(0.39)
Actuarial gain / (loss) for the period- Plan Assets	0.00	0.00
Total (gain) / loss for the period	(0.25)	0.39
Actuarial (gain) / loss recognized in the period	(0.25)	0.39
Unrecognized actuarial (gain) / loss at the end of the year	0.00	0.00
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	1.18	2.66
Fair value of plan assets	0.00	0.00
Difference	1.18	2.66
Unrecognised transitional liability	0.00	0.00
Unrecognised past service cost - non vested benefits	0.00	0.00
Liability recognized in the balance sheet	1.18	2.66

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2014	As at March 31, 2013
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	0.29	0.61
Interest Cost	0.15	0.14
Expected return on plan assets	0.00	0.00
Net actuarial (gain)/loss recognised in the year	(0.25)	0.39
Transitional Liability recognised in the year	0.00	0.00
Past service cost - non-vested benefits	0.00	0.00
Past service cost - vested benefits	0.00	0.00
Expenses recognized in the statement of profit and loss	0.19	1.14
VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	2.66	1.72
Expense as above	0.19	1.14
Contribution paid	(1.67)	(0.19)
Closing net liability	1.18	2.66
IX. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	1.18	2.66
Plan Assets	0.00	0.00
Surplus (Deficit)	(1.18)	(2.66)
Experience adjustments on plan liabilities -(loss)/gain	0.17	0.08
Experience adjustments on plan assets -(loss)/gain	0.00	0.00
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Government of India Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others (to specify)	0.00%	0.00%
Total	0.00%	0.00%
XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR	0.00	0.00

Current Liabilities

2.6 TRADE PAYABLES

Trade Payables consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Trade Payables*	35.39	24.06
Total	35.39	24.06
*Trade Payables include due to subsidiaries	20.18	10.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.7 OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Current maturities of long term debt	-	68.09
Interest accrued but not due on borrowing	-	1.39
Unclaimed dividend	1.45	1.30
Statutory payables	0.48	4.70
Due to subsidiaries	2.94	2.70
Other payables	1.62	1.62
Advance received from customers	-	2.83
Unearned revenue	4.96	64.07
Employee Related Liabilities	3.10	8.19
Total	14.55	154.89

2.8 SHORT TERM PROVISIONS

Short – term provisions consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Provision for employee benefits	1.00	0.84
Others		
Proposed Equity dividend	47.85	47.85
Provision for taxes	21.81	27.69
Tax on dividend	8.32	7.94
Total	78.98	84.32

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Non- Current Assets

2.9 Fixed Assets

Fixed Assets consist of the following:

S. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at April 01, 2013 ₹ Mn	Additions ₹ Mn	Deductions / Transfer ₹ Mn	Balance as at March 31, 2014 ₹ Mn	Balance as at April 01, 2013 ₹ Mn	Depreciation / Amortisation / for the year ₹ Mn	On disposals ₹ Mn	Balance as at March 31, 2014 ₹ Mn	Balance as at March 31, 2013 ₹ Mn
a	Tangible Assets									
	Computers	4.45	-	0.07	4.38	3.81	0.40	0.07	4.14	0.64
	Furniture and Fixtures	8.23	-	-	8.23	0.74	0.52	-	1.26	7.49
	Office equipment	5.62	-	0.03	5.59	1.05	0.27	-	1.32	4.57
	Total	18.30	-	0.10	18.20	5.60	1.19	0.07	6.72	12.70
	Previous Year	23.70	1.18	6.58	18.30	7.49	3.69	5.58	11.48	16.21
b	Intangible Assets									
	Computer software	66.72	-	-	66.72	25.73	37.09	-	62.82	40.99
	Software Product Costs	346.20	-	-	346.20	325.57	15.51	-	341.08	20.63
	Total	412.92	-	-	412.92	351.30	52.60	-	403.90	61.62
	Previous Year	423.68	-	10.76	412.92	319.88	42.19	10.77	351.30	103.80
	Grand Total	431.22	-	0.10	431.12	356.90	53.79	0.07	410.62	74.32
	Previous Year	447.38	1.18	17.34	431.22	327.37	45.88	16.35	356.90	120.01

During the FY 2013-14, Depreciation has been accelerated based on the revised estimated useful life of the assets. The additional charge for the year is ₹ 31.5 Mn.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.10 NON CURRENT INVESTMENTS

Non-current investments consist of the following:

Particulars	As at March 31, 2014 ₹ Mn		As at March 31, 2013 ₹ Mn	
	2014	2013	2014	2013
Long - term Investments at Cost - Unquoted and Non Trade				
(a) Investment in Equity instruments of subsidiaries	2,343.72		2,343.72	
(b) Other non-current investments - Investment in LLP	0.10		0.10	
Total	2,343.82		2,343.82	

Long - term Investments - Unquoted and Non Trade

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹ Mn)		"Whether stated at Cost Yes / No"	"If 'No' - Basis of Valuation"
		2014	2013			2014	2013	2014	2013		
Investment in Equity Instruments of Subsidiaries											
(i) APA Engineering Pvt Ltd	Subsidiary	30,128	30,128	Unquoted	Fully Paid	58%	58%	34.92	34.92	Yes	NA
(ii) TAKE Business Cloud Pvt Ltd	Subsidiary	5,000,000	5,000,000	Unquoted	Fully Paid	100%	100%	499.10	499.10	Yes	NA
(iii) TAKE Solutions Global Holdings Pte Ltd	Subsidiary	44,109,100	44,109,100	Unquoted	Fully Paid	100%	100%	1,809.70	1,809.70	Yes	NA
Other non-current investments - Investment in LLP											
(i) TAKE Solutions Global LLP	Partner in LLP	NA	NA	Unquoted	NA	99%	99%	0.10	0.10	Yes	NA
Total								2,343.82	2,343.82		

2.11 DEFERRED TAX ASSET

Long term loans and advances consist of the following:

Particulars	As at March 31, 2014 ₹ Mn		As at March 31, 2013 ₹ Mn	
	2014	2013	2014	2013
Depreciation	(0.05)		-	
Product development expenditure	(1.67)		-	
Employee benefits	2.22		-	
Total	0.50		-	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.12 LONG TERM LOANS AND ADVANCES

Long term loans and advances consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Unsecured, considered good		
Security deposits	3.31	3.31
Loans and advances to subsidiaries	10.13	120.48
Interest receivable	0.68	5.00
Total	14.12	128.79

2.13 CURRENT INVESTMENTS – At lower of Cost and fair value

The Company has invested 500 units in Secured, Unlisted, Redeemable, Non-Convertible Debentures carrying interest at the rate of 9% per annum of face value of ₹1Mn each.

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Investments in Debentures	500.00	260.00
Total	500.00	260.00

Details of Current Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ Mn)		Basis of Valuation
		2014	2013			2014	2013	
Investments in Debentures								
Investment in Non Convertible Debentures issued by Shriram Equipment Finance Company Limited.	Others	500	260	Unquoted	Fully Paid	500.00	260.00	At cost price
Total						500.00	260.00	

2.14 INVENTORIES

Inventories consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Stock in trade - IT Infrastructure	0.02	0.41
Total	0.02	0.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.15 TRADE RECEIVABLES

Trade Receivables consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Debts outstanding for a period exceeding six months Unsecured Considered good	12.68	2.66
Other Debts Unsecured Considered good*	13.24	62.72
Total	25.92	65.38
*Trade Receivables include due from Subsidiaries	21.84	11.47

2.16 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Current Account with Banks*	42.28	79.15
Cash on hand	0.12	0.24
Total	42.40	79.39
* includes (a) unpaid dividend (b) margin money deposit against guarantees	1.45 21.00	1.29 11.00

2.17 SHORT TERM LOANS AND ADVANCES

Short term loans and advances consist of the following:

Particulars	As at March 31, 2014 ₹ Mn	As at March 31, 2013 ₹ Mn
Unsecured, considered good		
Loans and advances to subsidiaries	229.63	426.96
Prepaid expenses	9.78	0.35
Interest receivable	49.40	23.59
Advance to employees	-	0.29
Advance to suppliers	0.12	-
Advance – Others	-	0.81
Advance tax (including refund receivable, net)	91.17	95.43
Other taxes receivable	8.08	1.76
Total	388.18	549.19

2.18 REVENUE FROM OPERATIONS

Revenue from operations consist of the following:

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Income from software services and products	202.32	270.40
Income from sale of IT infrastructure and support services	57.36	24.75
Other Operating Income	0.47	-
Total	260.15	295.15

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.19 OTHER INCOME (NET)

Other Income (net) consists of the following:

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Interest income	52.95	49.63
Share of profit from TAKE Solutions Global LLP	151.98	335.11
Net gain on foreign currency transactions and translation	16.08	25.08
Other non-operating income (net of expenses directly attributable to such income)	0.87	1.96
Total	221.88	411.78

2.20 COST OF REVENUE

Cost of Revenue consists of the following:

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Software and consultancy and services cost	28.62	16.63
Cost of IT infrastructure and support services	55.47	23.81
Total	84.09	40.44

2.21 EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Salaries and incentives	57.64	88.28
Contributions to provident fund	1.81	2.58
Gratuity fund contributions and leave encashment	2.81	6.99
Expense on employee stock option scheme	(0.13)	(0.25)
Staff welfare expenses	0.39	0.46
Total	62.52	98.06

2.22 FINANCE COSTS

Finance costs consist of the following:

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Interest expense	7.27	18.85
Other borrowing costs	2.40	0.67
Exchange difference arising on foreign currency borrowings	13.69	21.57
Total	23.36	41.09

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.23 OTHER EXPENSES

Other expenses consist of the following:

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Audit Fees	1.50	1.50
Bad Debts	-	0.07
Bank Charges	0.72	0.23
Books and periodicals	0.02	-
Charity (CSR)	1.25	1.28
Communication Expenses	0.87	1.08
Electricity Expenses	0.37	0.03
Loss on derivative contract	-	28.99
Insurance	0.67	0.68
Legal & Professional Charges	33.71	23.32
Loss on Sale of Assets	-	0.53
Marketing Expenses	21.85	18.03
Meeting & Conference	0.39	0.41
Office Expenses	0.02	0.19
Postage & Telegram	0.37	0.31
Printing & Stationery	1.45	1.64
Rent	3.91	3.87
Rates & Taxes	0.53	1.41
Repairs & Maintenance - Plant and Equipment	0.65	0.52
Repairs & Maintenance - Others	0.49	0.69
Security Charges	0.11	-
Subscription Charges	0.63	0.43
Travelling and Conveyance	8.23	13.29
Total	77.74	98.50

2.24: 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Primary Segment Information (Business Segment)

(₹ Mn)

Particulars	Business Segments		Total
	Software Services and Products	Sale of IT Infrastructure and Support Services	
Revenue	202.79	57.36	260.15
	<i>(270.40)</i>	<i>(24.75)</i>	<i>(295.15)</i>
Segment Result	57.26	1.97	59.23
	<i>(52.11)</i>	<i>(0.96)</i>	<i>(53.07)</i>
Unallocated Corporate Income			221.88
			<i>(411.78)</i>
Unallocated Corporate Expenses			77.22
			<i>(40.80)</i>
Interest Expense			23.36
			<i>(41.09)</i>
Tax Expense			9.43
			<i>(16.52)</i>
Net Profit after Tax Expense			171.10
			<i>(366.44)</i>

Previous year figures are shown in italics in brackets

Secondary Segment Information (Geographic Segment)

(₹ Mn)

Revenues	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
India	227.43	225.81
USA	25.65	60.67
Rest of the World	7.07	8.67
Total	260.15	295.15

2.25: Related Party Disclosure

Related party Disclosure for the year ended March 31, 2014
List of Related parties
Holding Company
TAKE Solutions Pte Ltd, Singapore
Subsidiaries (held directly)
1.APA Engineering Private Limited, India
2.TAKE Business Cloud Private Limited, India
3.TAKE Solutions Global Holdings Pte Ltd, 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

10.TAKE Enterprise Services Inc, USA
11.TAKE Intellectual Properties Management Inc, USA
12.TAKE Solutions Information Systems Pte. Ltd., Singapore
13.TAKE Solutions Inc, USA
14.TAKE Supply ChainDeMexicoS De RI Cv, Mexico
15.TAKE Global Limited, UK
16.WCI Consulting Limited, UK
17.WCI Consulting Limited, USA
18.TAKE 10 Solutions Private Limited, India
19.Million Star Technologies Limited, Mauritius
20.CMNK Computer Systems Pte Ltd, Singapore (ceased w.e.f. 21 st March 2014)
21.WCI Consulting Group Limited, UK (ceased w.e.f. 25 th May 2013)
Partner in Limited Liability Partnership
22.TAKE Solutions Global LLP, India
Key Management Personnel
1.Mr. Srinivasan H.R., Vice Chairman & Managing Director
2.Mr. D.V. Ravi, Non – Executive Director
Other Related Party
1. TAKE Solutions Limited ESOP Trust, India- the trust is effectively controlled by the company.
Enterprises Controlled by Key Management Personnel
1.DRP Consultants Private Limited – Enterprise in which KMP is interested
2.Shriram Venture Limited - Enterprise in which KMP is interested
3.Aasheesha Hospitality Services & Holdings Private Limited - Enterprise in which KMP is interested

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Transactions with Related Parties

(₹ Mn)

Particulars	Subsidiaries	Limited Liability Partnership	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their relatives
Revenue	29.22	-		0.23
	<i>(68.50)</i>	<i>(0.01)</i>		-
Interest Income	8.96			
	<i>(25.14)</i>			
Rent-Income	0.01			
	<i>(0.06)</i>			
Services Cost	-	8.39		
	-	-		
Rent-Expenditure				
Share of Profit		151.98		
		<i>(335.11)</i>		
Cost of LS - Licenses & Amc	10.47			
	<i>(8.99)</i>			
Managerial Remuneration			-	
			<i>(7.14)</i>	
Commission (Independent Directors)			1.80	
			<i>(1.80)</i>	
Trade Receivables	21.84			0.15
	<i>(11.49)</i>			-
Trade Payables	20.18			
	<i>(10.41)</i>			
Repayment of Loans & advances received	48.83	409.65		
	<i>(260.21)</i>	<i>(61.31)</i>		
Loans & Advances - Receivable	70.98			
	<i>(119.81)</i>	-		
Advances - Payable	2.94			
	<i>(2.71)</i>			
Share of Profit - Receivable		164.03		
		<i>(421.71)</i>		

Dividend Paid to Holding Company ₹ 70.86 Mn (₹113.37 Mn).

Previous year figures are shown in Italics in brackets

2.26: Leases

Obligation under Non-cancellable operating lease:

(₹ Mn)

Minimum Lease Payments	As at March 31, 2014	As at March 31, 2013
Not later than one year	2.25	2.07
Later than one year but not later than five years	12.82	12.33
Later than five years	1.14	3.87

Total rent expenses for operating leases amounted to ₹ 2.07 Mn (₹ 2.07 Mn) for the year ended March 31, 2014.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.27: 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, 2014.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
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 (₹Mn)	171.10	366.44
5. EPS (₹)	1.43	3.05
6. Nominal Value of share (₹)	1.00	1.00

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Diluted	Equivalent No. of Shares	Equivalent No. of Shares
1. Weighted Average No. of Potential Equity Shares	120,206,000	120,223,000
2. Profit Available for Potential Equity Share Holders (₹Mn)	171.10	366.44
3. EPS (₹)	1.42	3.05
4. Nominal Value of share (₹)	1.00	1.00

2.28. Due to Micro Small and Medium Enterprises

The Management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2014 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. In the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

₹ Mn

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.29: Other Disclosures

- a) Value of Imports on CIF basis – Purchases of traded goods: ₹ 1.52Mn (₹ 4.97Mn).
- b) Particulars relating to Foreign Exchange

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Foreign Exchange Inflow		
(a) Sales & Services	32.72	69.48
(b) Interest on Loan to subsidiaries	8.97	11.81
(c) Principal Repayment	62.27	78.63
Foreign Exchange Outflow		
(a) Cost of Revenue	8.86	8.98
(b) Interest on borrowings in foreign currency	9.67	19.52
(c) Purchases	1.52	4.97
(d) Travelling Expenses	2.59	2.21
(e) Other Expenses	-	0.05

An amount of ₹ 70.86 Mn (₹ 113.37 Mn) was remitted during the year in foreign currencies on account of payment of final dividend for the year 2012-13 and interim dividend for the year 2013-14.

2.30: Contingent Liabilities:

- a) Corporate Guarantee given by the Company to its direct and indirect subsidiaries –APA Engineering Private Limited as at March 31, 2014 : ₹ 20.00 Mn (₹ 20.00 Mn), TAKE Global Limited, UK as at March 31, 2014 : USD 21.50 Mn (USD 23.50 Mn), CMNK Computer Systems Pte Ltd as at March 31, 2014 : USD Nil (USD 2.20 Mn), TAKE Solutions Global Holdings Pte Ltd as at March 31, 2014 : USD 43.75 Mn (USD 43.75 Mn), TAKE Solutions Global LLP ₹ 60.00 Mn & USD 2.00 Mn (₹ 200.00 Mn & USD 2.00 Mn)
- b) Outstanding Bank Guarantee: ₹ 10 Mn (₹ 10 Mn)
- c) Claims against the company not acknowledged as debts
 - (i) Claims against the company not acknowledged as debts represent demands from the Indian Income Tax Authorities for the payment of additional tax of ₹ 116.74 Mn (₹ 34.85 Mn), including interest of ₹ 87.59 Mn upon completion of their tax review for Assessment Years 2005 -06 to 2011-12. These income tax demands are mainly on account of disallowance of in-house product development expenses for the AYs 2005-06 to 2010-11 and also on account of disallowance of deduction claimed U/s. 10A for the AYs 2006-07 and 2007-08. Further for AY 2006-07 demand was also raised on account of including the profits earned by foreign subsidiaries in the Company's taxable profits. For the AYs 2006-07 and 2007-08, the appeal is pending before Commissioner of Income Tax (Appeals), Chennai and in Honorable High Court of Judicature at Madras. For the AY 2008-09, the matter is pending before Honorable High Court of Judicature at Madras. For the AYs 2009-10 and 2010-11, the appeal is pending before Commissioner of Income Tax (Appeals), Chennai. The Company is contesting the demand and the Management including its tax advisors believes that its position will likely be upheld in the appellate process concerned. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
 - (ii) The Company has received a revised order for the AYs 2002-03 and 2003-04 from Assistant Commissioner of Income Tax 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 ₹ 23.69 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 Judicature at Madras against the order of ACIT. 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, 2014.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.31: Disclosure under Clause 32 of the Listing Agreement

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2014:

Particulars	Outstanding as at March 31, 2014 including gain/loss on reinstatement ₹ Mn	Maximum amount outstanding during the year including gain/loss on reinstatement ₹ Mn
TAKE Solutions Inc	65.60	117.74
	(110.34)	(192.64)
TAKE Business Cloud Private Limited	-	-
	-	(200.68)
Towell TAKE Investments LLC	-	5.21
	(5.21)	(5.36)
TAKE SolutionsGlobal LLP	-	-
	-	(61.31)

2.32: Payment to Auditors

Particulars	For the year ended March 31, 2014 ₹ Mn	For the year ended March 31, 2013 ₹ Mn
Statutory Audit	0.85	0.85
Limited Review	0.65	0.65
Certification and other services	0.75	0.34
Total	2.25	1.84

2.33: Comparative Figures

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.: 0042015

S.Sridhar
Partner
Membership No: 025504

Place : Chennai
Date : May 20, 2014

For and on behalf of the Board of Directors

Srinivasan H. R.
Managing Director

D.V. Ravi
Director

C.M. Lakshmi
Company Secretary