

DELIVERY LOCATIONS (CHENNAI)

- ❖ VSI 1: Type II, Unit 5, Dr VSI Estate, Tiruvanmiyur, Chennai-600041
- ❖ VSI 2 : Type II, Unit 6, Dr VSI Estate, Tiruvanmiyur, Chennai -600041
- ❖ MEPZ: B-17, Phase II, Second Main Road, MEPZ Chennai- 600045

SALES OFFICES

- ❖ India: 264 / 265, 18th E Main, HAL II Stage, Bangalore - 560 008
- ❖ U.A.E.: PO Box: 82840, Dubai, UAE
- ❖ U.K.: 6th Floor, Fleet House, 8 - 12, New Bridge St., London EC4V 6AL
- ❖ Singapore: 1 North Bridge Road, #1904-05, High Street Centre, Singapore - 179094
- ❖ U.S.A.: 33, Wood Avenue South, Metropark Center - Suite 600, Iselin, NJ 08830

BRANCHES AND PLACES OF BUSINESS:

- ❖ Hongkong
- ❖ Perth
- ❖ Belgium
- ❖ Frankfurt

www.thinksoftglobal.com



THINKSOFT GLOBAL SERVICES LTD., ANNUAL REPORT 2008 - 09



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Kalaripayattu (Malayalam കളരിപയറ്റ്, Tamil: களரிபயத்து pronounced [kaɻɪpːajətːɪ]), is a Dravidian martial art originating from Kerala in south India. Possibly one of the oldest fighting systems in existence, it is practiced in Kerala and contiguous parts of Tamil Nadu and Karnataka as well as northeastern Sri Lanka and among the Malayalee community of Malaysia. The word is spelled variously as kalarippayatta, kalaripayatte, kalari payatt and many others depending on the dialect and romanisation system used. It includes strikes, kicks, grappling, preset forms, weaponry and healing methods.

Source: Wikipedia

Philosophy and Values

► Earn the respect of customers by anticipating their current and future requirements and delivering value by exceeding expectations.

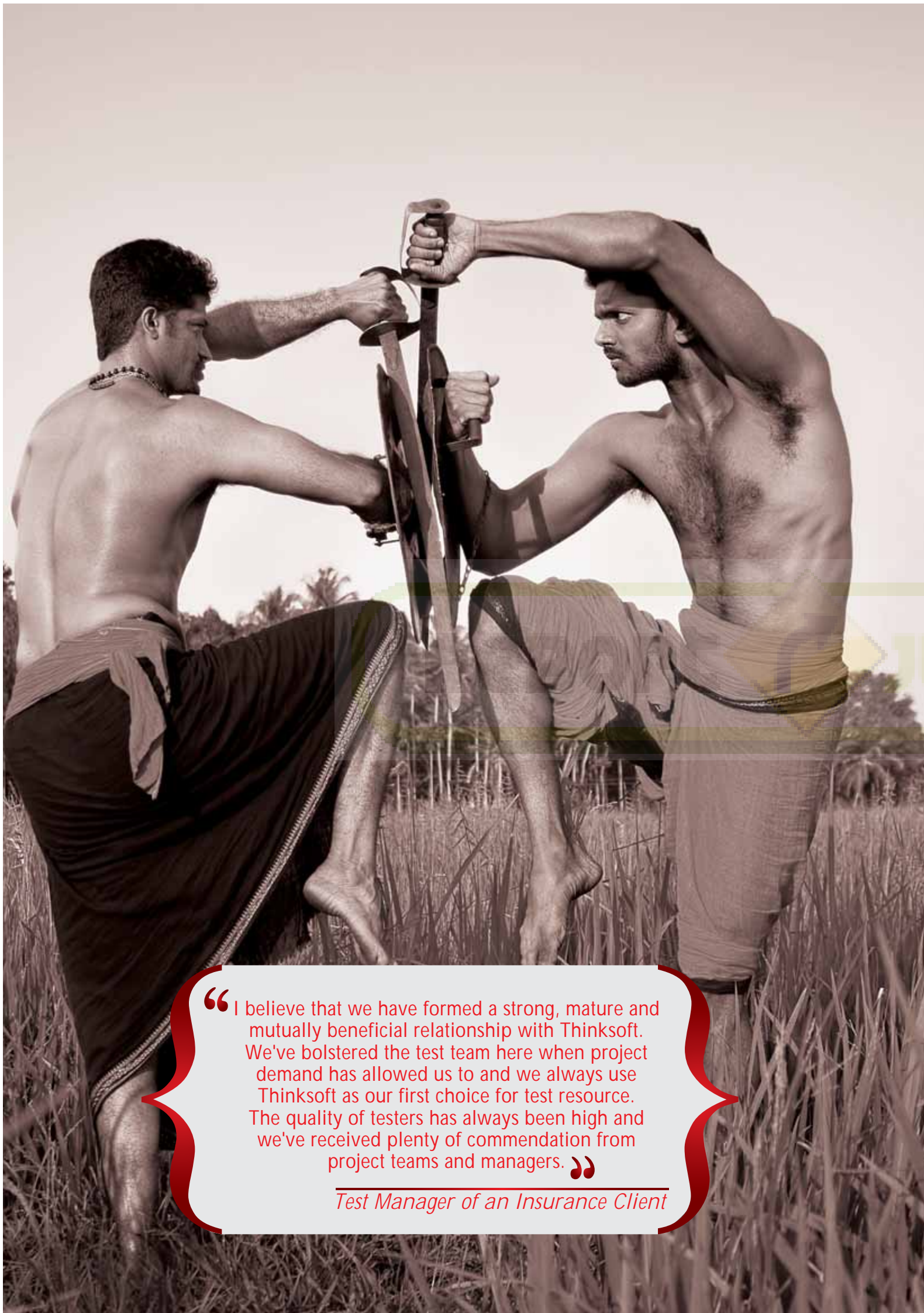
► Obtain the best possible return on Investors' equity in our chosen business and markets.

► Be an equal opportunity employer, respecting individuals, promoting diversity, fostering excellence, rewarding high performance, encouraging innovation and nurturing leadership

► Carry on its business with high standards of ethics, integrity and transparency in governance.

► Recognize and be sensitive to our responsibilities towards our immediate and larger community.

► Contribute in the best possible manner to the preservation and sustainability of the environment through optimized use of energy and resources.



“I believe that we have formed a strong, mature and mutually beneficial relationship with Thinksoft. We've bolstered the test team here when project demand has allowed us to and we always use Thinksoft as our first choice for test resource. The quality of testers has always been high and we've received plenty of commendation from project teams and managers.”

Test Manager of an Insurance Client

THINKSOFT GLOBAL SERVICES LIMITED

BOARD OF DIRECTORS

Vanaja Arvind _____ Executive Director
Dr. S. Rajagopalan _____ Director
Mohan Parvatikar _____ Director
C. N. Madhusudan _____ Director
K. Kumar _____ Director
A.V. Asvini Kumar _____ Chairman and Managing Director

COMPANY SECRETARY:

S. Akila

AUDITORS

PKF Sridhar and Santhanam, Chartered Accountants, Chennai - 600004.

INTERNAL AUDITORS

A. Murali and Associates, Chartered Accountants, Chennai - 600 094.

BANKERS

The Lakshmi Vilas Bank Ltd, Cathedral Road, Chennai - 600 086.
ICICI Bank Ltd, Bazulla Road, T. Nagar, Chennai - 600 017.
Citi Bank NA, Club house Road, Chennai - 600 002.

LEGAL ADVISORS

SRS Associates, Chennai - 600004.

FACILITATORS

Software Technology Park (STPI), Chennai - 600041.
Madras Export Processing Zone (MEPZ), Tambaram, Chennai - 600045.

REGISTERED OFFICE

Type II, Unit 5, Dr. V.S.I. Estate, Thiruvanmiyur, Chennai 600 041.
www.thinksoftglobal.com

SignPosts and Milestones



Decade at a Glance

PARTICULARS	INR In Millions									
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
GROSS REVENUE	922.62	749.24	588.62	366.91	217.37	123.79	156.01	133.34	109.69	14.43
E B I D T A	178.73	122.16	122.36	48.59	27.04	(0.56)	38.22	34.23	38.70	6.20
Profit Before Tax	160.62	108.15	103.57	40.07	18.90	(11.91)	28.02	25.41	32.68	6.19
Profit After Tax	144.89	99.65	94.61	36.22	15.62	(11.87)	24.94	23.20	32.22	5.66
Fixed Assets: Gross Block	90.15	88.51	69.89	63.78	44.19	41.53	28.54	28.15	20.66	0.16
Fixed Assets: Net Block	33.49	28.17	22.13	27.73	11.44	11.16	6.58	14.29	14.73	0.16
Share Capital	87.02	76.63	72.45	70.68	70.68	70.68	70.66	70.66	1.72	1.10
Reserves and surplus	381.94	246.55	160.03	82.05	53.89	43.11	59.77	42.81	91.26	5.66
Networth	468.96	328.99	232.48	152.73	124.57	113.79	130.43	113.47	92.98	11.04
Sundry Debtors	238.57	203.70	186.43	98.50	59.80	24.61	55.24	19.71	46.50	15.07
Cash and Bank Balances	265.60	147.25	76.56	47.36	58.40	116.67	70.24	77.81	35.86	2.50
Current Assets	600.34	419.98	291.00	184.08	139.25	164.03	145.49	111.67	92.56	18.20
Current Liabilities	171.09	122.58	81.98	59.84	25.99	18.18	21.49	11.00	12.85	6.95
Working Capital	429.24	297.40	209.02	124.24	113.26	145.85	124.00	100.67	79.71	11.25
No of Equity Shares ('000)	8,702	7,663	7,245	7,068	7,068	7,068	7,066	7,066	172	110
Earnings Per Share (Diluted) (Rs.)	17.62	13.38	13.21	5.12	2.21	(1.68)	3.53	4.87	240	3,275
Book Value per Share (Rs.)	53.89	42.93	32.09	21.61	17.63	16.10	18.46	16.06	539.51	100.58

FINANCIAL INDICATORS

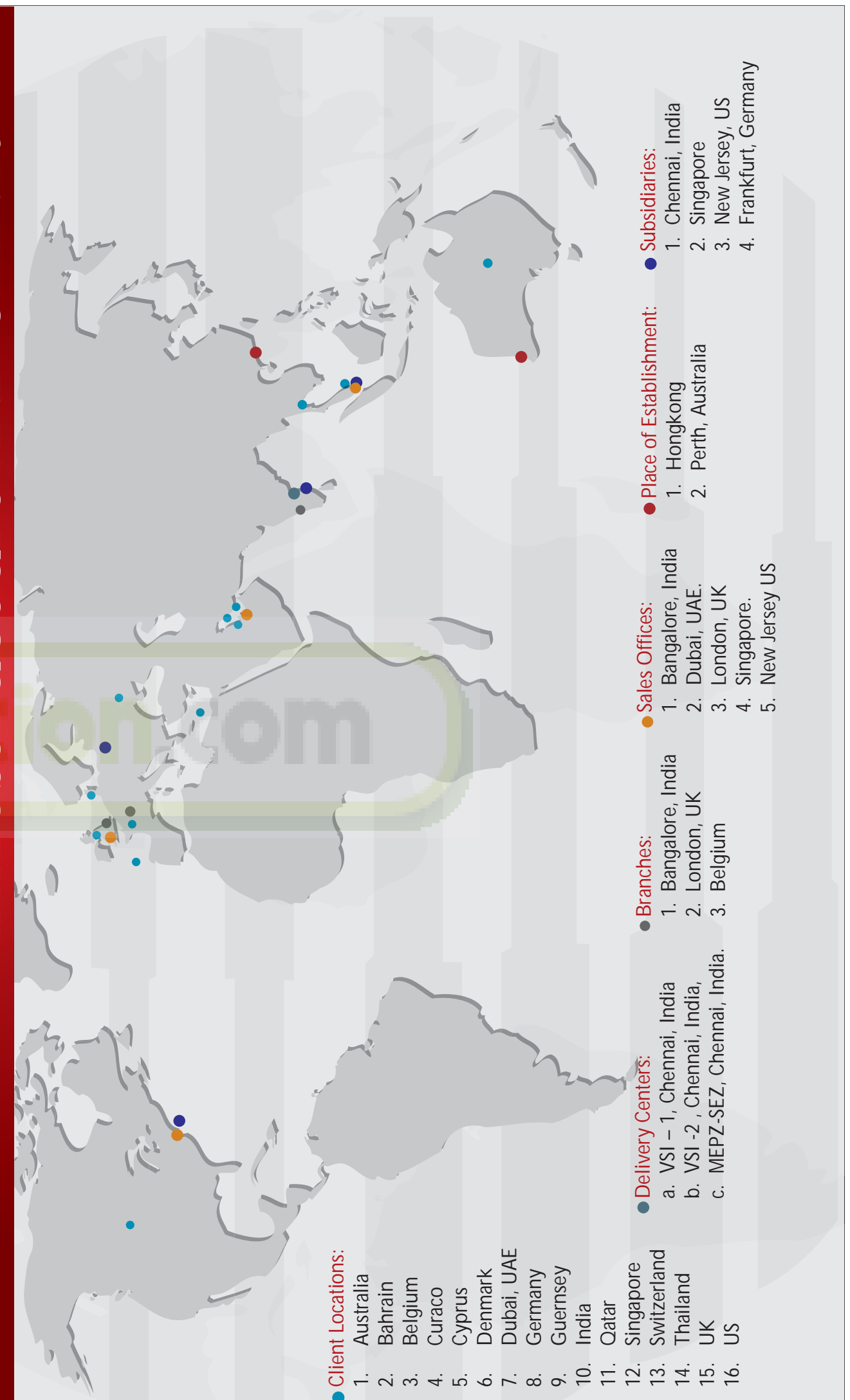
TABLE - 1

No.	TYPE	FORMULA	31st March - 09	31st March -08
1.	Current assets / Current Liabilities	No.	3.51	3.43
2.	EBIDTA to Sales	%	19.41	16.46
3.	Profit Before Tax to Sales	%	17.44	14.57
4.	Profit After Tax to Sales	%	15.73	13.42
5.	Return on equity	%	36.58	35.87
6.	Earnings per share	INR	17.62	13.38
7.	Average Collection period	Days' sales Outstanding	94	100

“We have benefited by the knowledge transfer of testing best practices presented by your team and by the capability and speed with which the onshore and offshore teams were able to support our often changing testing requirements. Throughout the engagement, your team was constantly productive and well-focused to provide us with valuable deliverables.”

Chief Application Officer, A large US Bank

GLOBAL FOOT PRINT Infrastructure AND CLIENTS



TABLES AND FIGURES

FIGURE - 1

DISTRIBUTION OF REVENUES BY GEOGRAPHY

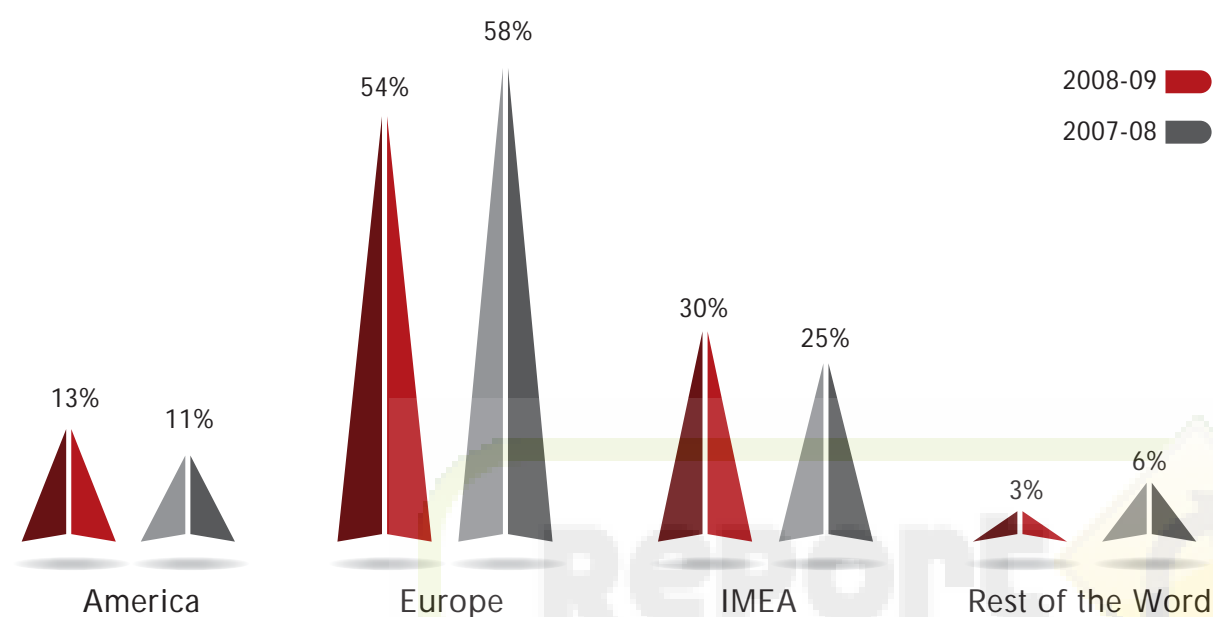


FIGURE - 2

DISTRIBUTION OF REVENUES BY PRACTICE

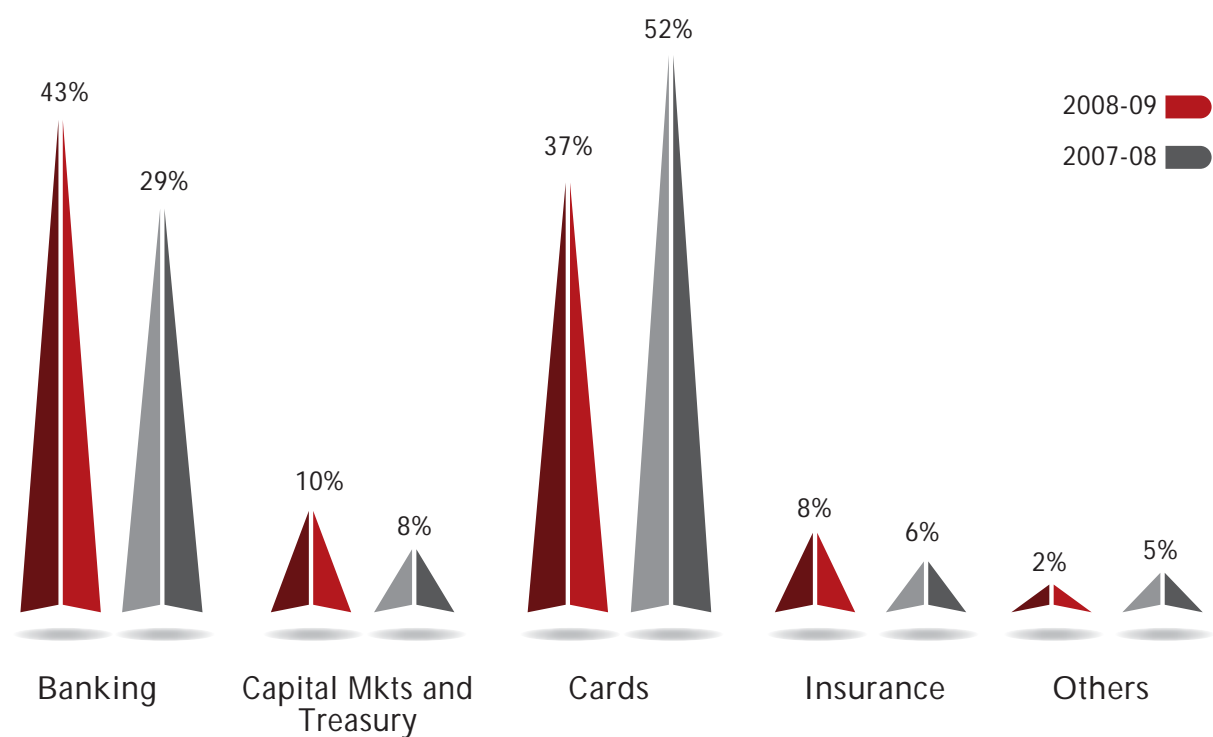
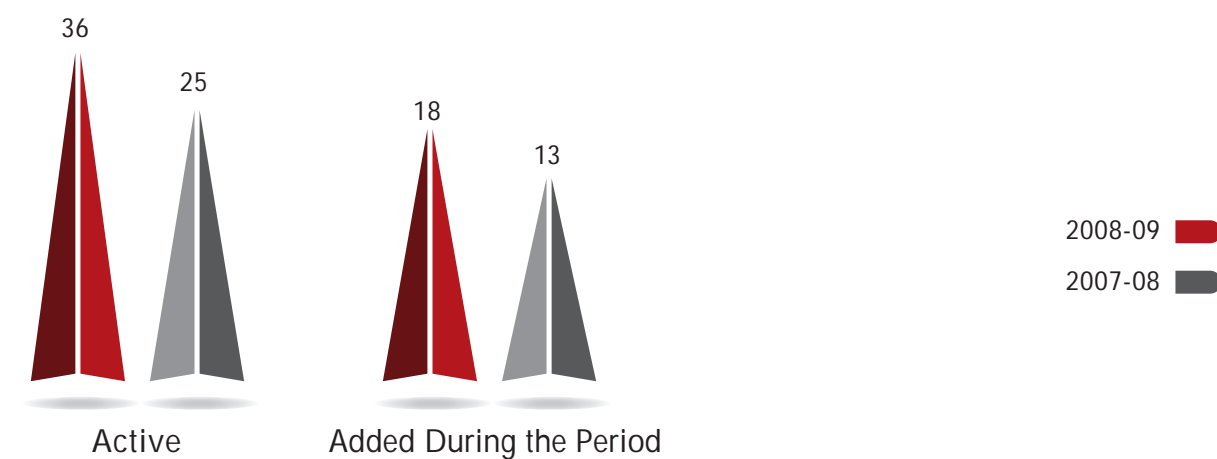


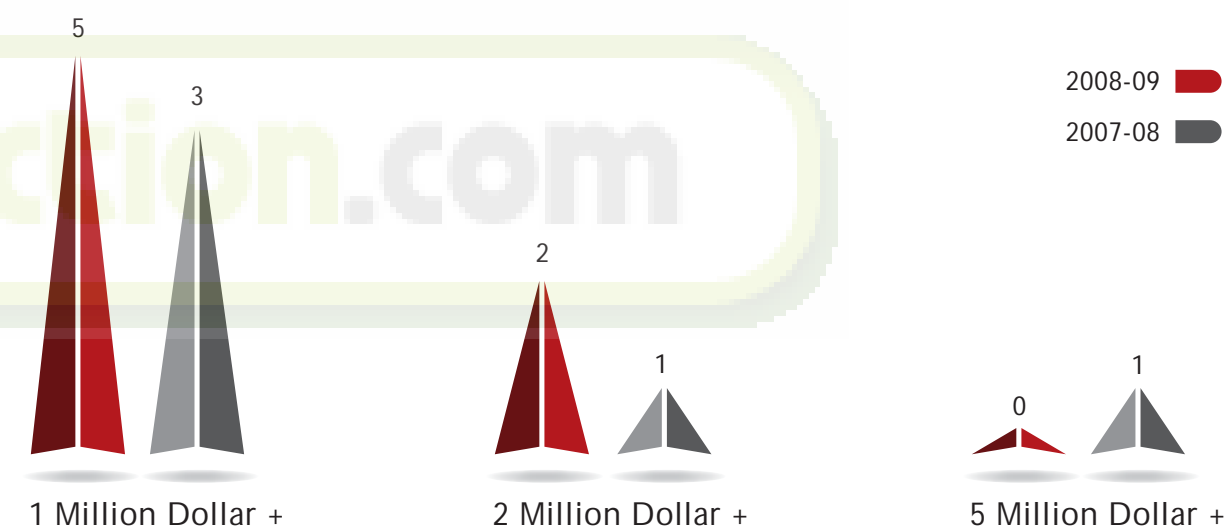
FIGURE - 3

CLIENT PROFILE

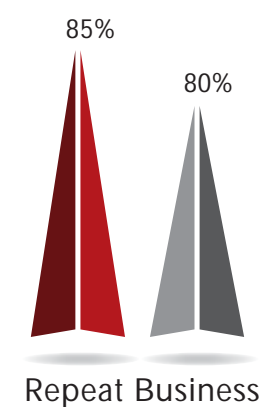
NUMBER OF CLIENTS



NUMBER OF MILLION DOLLAR CLIENTS



REPEAT BUSINESS



“Thinksoft team has done excellent quality job during the UAT of Mudarabah. I would like to mention that they have proved themselves as experts in the functionalities and are now guiding the bank users in many of their queries. They have helped us complete UAT on time, in spite of various constraints by their innovative approach. We would like to retain the team members and extend the engagements.”

C. I. O of a reputed Middle East Islamic Bank

FIGURE - 4

EDUCATIONAL PROFILE OF EMPLOYEES

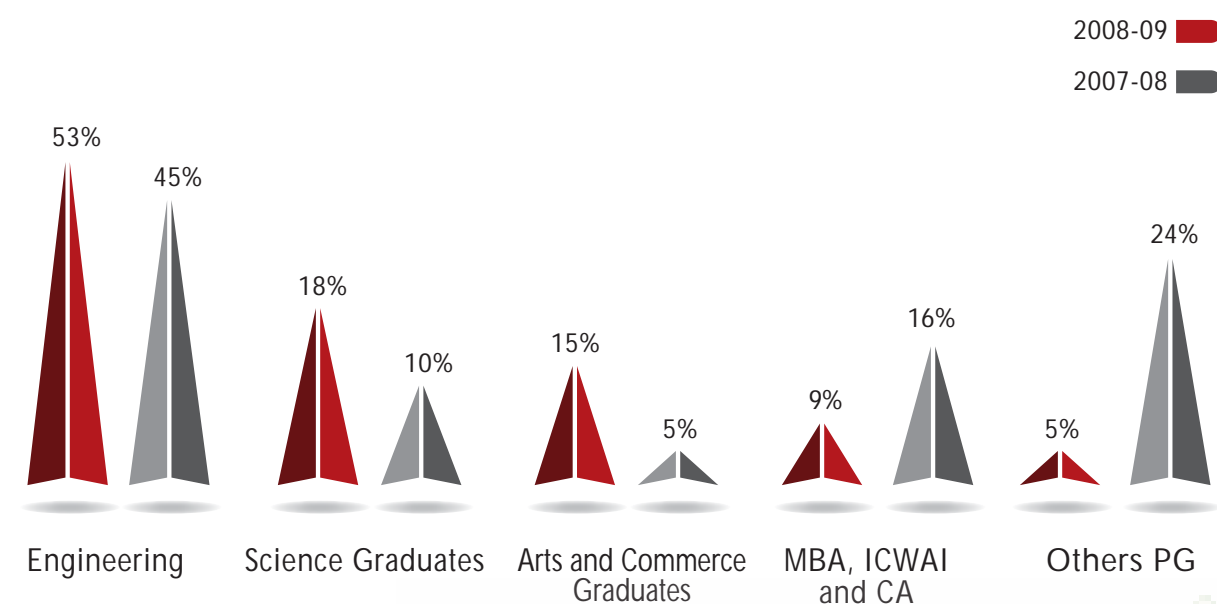


FIGURE - 5

DISTRIBUTION OF EMPLOYEE BY GEOGRAPHY

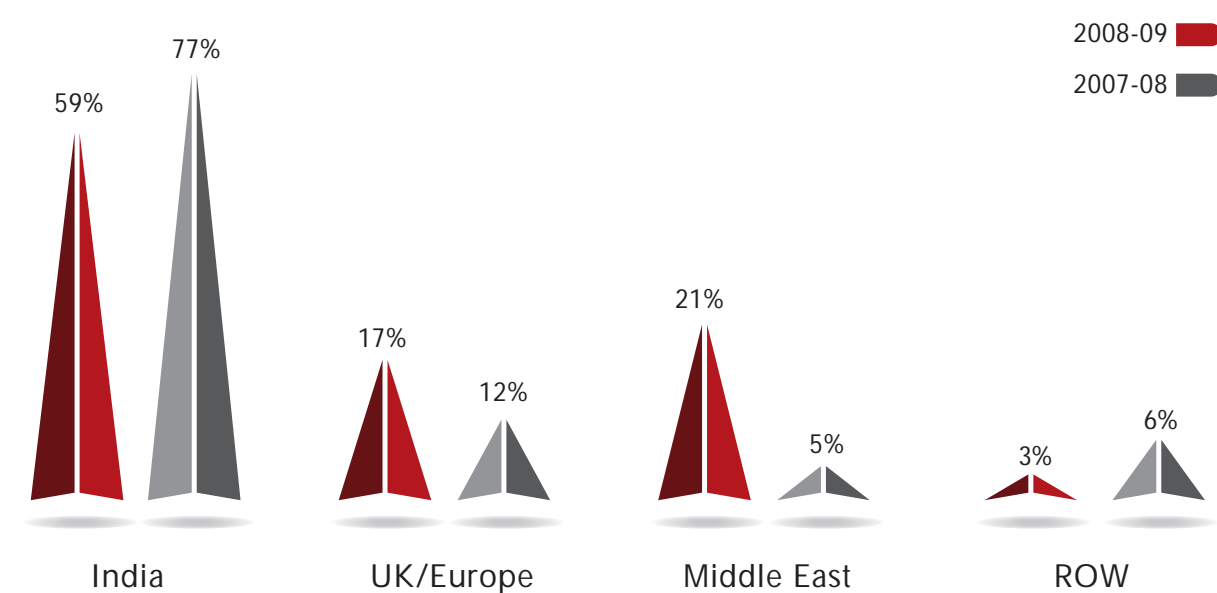


FIGURE - 6

DISTRIBUTION OF EMPLOYEE BY PRACTICE

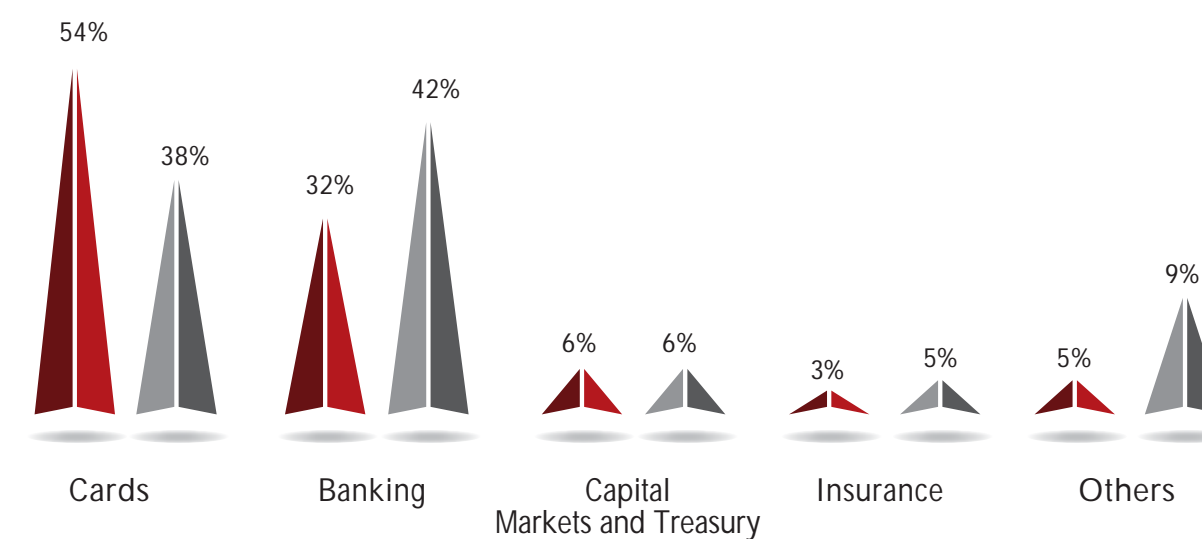
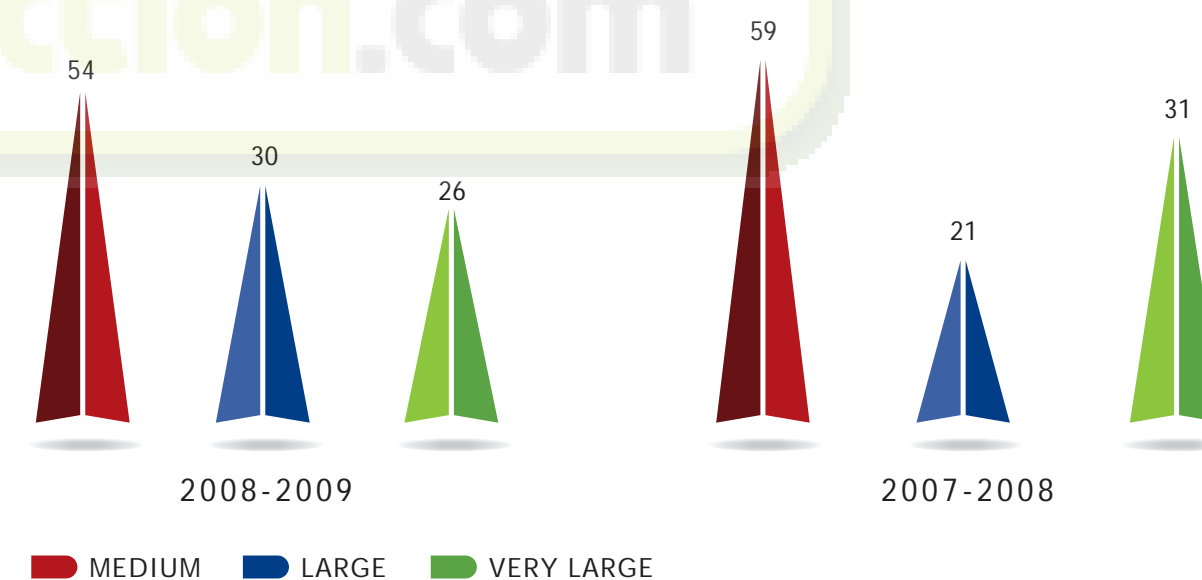


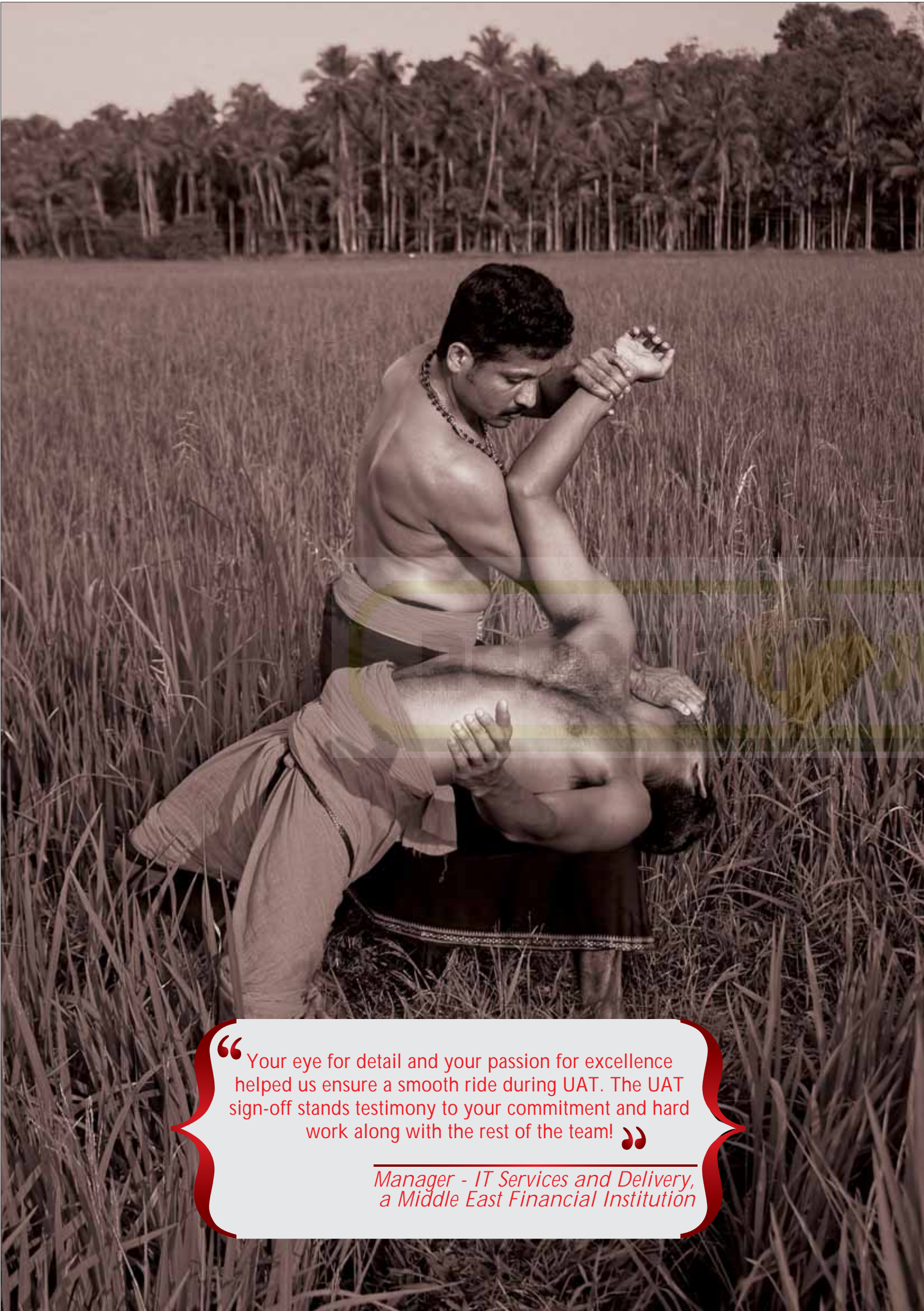
FIGURE - 7

NO. OF PROJECTS EXECUTED



“The Odyssey process sets the organization on a voyage to the Blue Ocean. Thus, it is about both growth and repositioning, which makes it quite exciting. I am sure the organization would remain steadfast to these goals, despite the current turbulence in the market. Leading one of the key initiative as part of this voyage, I could plan my career growth aligned to organization plans.”

Delivery Manager-1



Letter to Shareholders

July 2nd 2009

Dear Shareholders,

We are now into our 12th year of incorporation as an Indian Company and our 10th year into running a sharply focused services organization. In this period we have grown 20 fold - both in terms of revenues and employee strength.

The global economy is in the midst of the worst financial crisis since the Great Depression and all of you are aware of the grim scenario all round us. The North American and Western European economies have been gripped by a severe recession for the past 6 quarters. The World's GDP is all set to clock a negative growth rate this coming year.

“ It would indeed be a pity if circumstances forced us to learn and adapt to the newly unfolding game.

The far better option is to pro-actively transform ourselves and create significant differentiation vis-à-vis the competition. ”



“ Your eye for detail and your passion for excellence helped us ensure a smooth ride during UAT. The UAT sign-off stands testimony to your commitment and hard work along with the rest of the team! ”

*Manager - IT Services and Delivery,
a Middle East Financial Institution*

Here in India, for the financial year ended March 2009 we had 2 quarters in parallel with the crisis and for the coming year ending March 2010 we have the full year exposed to the crisis. Our country's own macro economic scenarios has also turned tough, with India's GDP growth rate being significantly downgraded.

Reduction in Global IT spending resulting in delayed spending and cancellation of non priority projects, tremendous pricing pressure, stretched receivable cycles, volatility of the Rupee/Dollar exchange rate and vendor consolidation by global clients.- all these are for real.

*What challenges does it put on the table in front of us?
Are the rules of the game changing?
Can we maintain our profitability?
Can we sustain our cash flows?*

Letter to Shareholders

Are our customers happy?
Are our employees motivated?
How far does the market recognize our differentiation and positioning?

Let us attempt to look at these questions:

Managing the cost structure : Most India based firms are projecting a flat year in terms of revenues and have unveiled plans to restrict payroll, sales and administrative expenses in an effort to stay profitable.

The focus has, thus, shifted to managing the cost base. We too cannot ignore this reality and for the year gone by we have managed to increase revenues and profits both in absolute and percentage terms. We have also put an extra focus into cash flow management to mitigate the risks arising out of lengthened receivables cycles. The overall aim is to achieve "Operational Excellence "within a viable cost structure.

“The quality of work produced combined with dedication and commitment to the project was outstanding. A clear evidence of this is the fact that very few functional code issues were identified during the UAT testing carried out by our client. And probably one of the very few occasions where we achieved 100% test completion.”

Test Manager, Large UK Bank

On the positive side , the good news is still flowing :

- a) **We are still able to wow! our customers :** Recently a Global 100 client was so delighted by our project performance that he took the whole team of 40 for a fully expense paid dinner and dance riverboat cruise. Yet another No 1. Regional customer has chosen us as the testing services vendor of choice.
- b) **Employees remain committed:** even as management was contemplating on strategies to manage burgeoning payroll costs without resorting to indignities, key senior employees were on their own thinking about offering a voluntary contribution from their monthly salaries. There was unanimous endorsement about the fairness of our approach.
- c) **We are still desirable:** We continue being invited to participate in the bidding parade by several reputed Global 500 Finance sector organizations and they continue to be pleasantly surprised at the options we bring to the table for them.

Letter to Shareholders

But there is no getting away from the penultimate question: Are the rules changing ??

The answer is an emphatic and thumping YES!! Going forward, clients will only partner with those who can demonstrate significant value addition. As a corollary , IT services organizations have to be staffed with the right set of people, possessing the capabilities to thrive in a competitive, performance oriented and innovative culture. The Mantra would be "partnering with Customers to deliver best value in a cost effective manner"

Do we have a plan to ride out this storm?

It would indeed be a pity if circumstances forced us to learn and adapt to the newly unfolding game.

The far better option is to pro-actively transform ourselves and create significant differentiation vis-à-vis the competition. It is with this in view that we have institutionalized the participation of our key employees in our perspective planning process, ODYSSEY 2012 (**). The previous ODYSSEY 2012 sessions held in August and December 2008 have helped to us formulate a considered and energetic response to the challenges faced by us and which will enable us to position ourselves as a respected and best in class value creator by the year 2012.

We would like to end on this sanguine note.

We wish you, your families and friends a peaceful happy, joyous and productive year ahead.

VANAJA ARVIND

MOHAN PARVATIKAR

ASVINI KUMAR

(**Refer to the Section "Odyssey - Our Perspective Planning Frame Work" for a more detailed report on ODYSSEY 2012 initiatives).

Before acting resolve all doubts through consideration of these five: Cost, means, time, place and the action itself.

(Thirukkural: Verse 675)

பொருள்கருவி காலம் வினையிடனொடு ஐந்தும்
இருள்தீர எண்ணிச் செயல்.
(திருக்குறள்: 675)

Directors' Report

Dear Members,

We have great pleasure in presenting this Report on the business and operations of the company for the year ended March 31, 2009.

A) Financial Highlights for the Year Ended 31st March 2009

INR Millions	CONSOLIDATED		STAND ALONE	
DESCRIPTION/HEAD	2008-09 Current Year	2007-08 Previous Year	2008-09 Current Year	2007-08 Previous Year
Export Revenues	889.14	682.89	857.81	638.27
Domestic Revenues	31.78	59.45	31.78	59.45
Total Revenue	920.92	742.34	889.59	697.72
Delivery expenses	565.48	423.13	539.60	398.04
Funds from Operations	355.44	319.21	349.99	299.68
Selling and Marketing expenses	91.75	72.91	89.81	64.86
General and Administrative expenses	120.71	126.20	117.93	120.09
Profit before Interest, Depreciation and Taxes	142.98	120.10	142.25	114.73
Financial Expenses	2.26	0.73	2.24	0.71
Depreciation	15.85	13.28	15.85	13.28
Operating Profit Before Taxes	124.87	106.09	124.16	100.74
Add: Other Income	35.74	2.06	30.27	2.01
Net profit before taxes	160.61	108.15	154.43	102.75
Provision for taxation	15.36	10.23	15.28	9.58
Provision for Fringe Benefit Tax	3.17	2.29	3.17	2.29
Add: Deferred Tax	2.81	4.02	2.81	4.02
Net Profit after tax	144.89	99.65	138.79	94.90
Profit brought forward from previous year	216.05	144.33	190.17	123.20
Profit available for appropriation	360.94	243.98	328.96	218.10

Directors' Report

INR Millions	CONSOLIDATED		STAND ALONE	
DESCRIPTION/HEAD	2008-09 Current Year	2007-08 Previous Year	2008-09 Current Year	2007-08 Previous Year
Appropriations: Interim Dividend	-	15.33	-	15.33
Transfer to General Reserve	-	10.00	-	10.00
Proposed Final Dividend	8.70	-	8.70	-
Tax on dividend	1.48	2.60	1.48	2.60
Profit carried to Balance sheet	350.76	216.05	318.78	190.17
Earnings Per Share basic (Rs.)	17.62	13.53	16.88	12.89
Earnings Per Share diluted (Rs.)	17.62	13.38	16.88	12.75

B) Business and Operations Review - Consolidated

- ❖ Total revenues went up, in Rupee terms by 24 %, to INR 920.92 million this year, from INR 742.33 million last year (In US dollar terms this amounts to an increase in revenues of 7.8 %).
- ❖ Profit after tax at INR 144.89 million constituted 15.7% of revenues as against INR 99.65 million at 13.4 % for the previous year. The component attributable to INR / USD depreciation works out to INR 26.54 million for the year.
- ❖ Geographically, 54% of the revenues came from Europe (last year 58%), 30% from IMEA (last year 25%), 13% from America (last year 11%).and 3% from Rest of the World (last year 6%). Thus the growth rates recorded were Europe (4%), IMEA 5% America 2 % and ROW (3)%. Though Europe's share of revenue dropped in the current year, the share of IMEA increased substantially. With America also showing a modest increase in its share of revenues, the resultant trend points to a healthy spread of revenues across different geographical markets.
- ❖ The proportion of onsite to offshore revenues stood at 63% / 37% compared to 42% / 58% last year. This is reflected in an increase of 21% in onsite Revenue from INR 318 Million to INR 581 Million during the year. This increase in the share of onsite revenues can be attributed to the increase in number of new clients added this year.