

What makes the  
outside so strong



is the inside.

**Board Members**

Mr Ashok Trivedi (Chairman)  
Mr Sunil Wadhvani  
Mr Phaneesh Murthy (Managing Director and CEO)  
Mr N Ramachandran (Chief Financial Officer)  
Mr Hariharan Sambhashiva (From Oct 9, 2007)

**Company Secretary**

Mr Mukund Srinath

**Registered Office**

No 158-162P & 165P-170P  
EPIP Phase II, Whitefield  
Bangalore - 560 066

**Registrar & Share Transfer Agent**

M/s Karvy Computershare Private Limited  
51/2, TKN Complex, Opp National College  
Vani Vilas Road, Basavangudi  
Bangalore- 560 004

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# Notice

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of iGATE Global Solutions Limited will be held on June 30, 2008, at the registered office of the Company at 158-162P and 165P-170P, EPIP Phase II, Whitefield, Bangalore - 560 066 at 4.00 p.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Wadhvani who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT Messrs. S.R.Batliboi, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the Fifteenth Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting of the Company in place of Messrs. Chandabhoy & Jasoobhoy, Chartered Accountants, the retiring Auditors of the Company, who do not seek re-appointment as Auditors of the Company, on such remuneration as may be fixed by the Board of Directors of the Company.

## SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and other applicable provisions of the Companies Act, 1956, Mr. Hariharan Sambhashiva be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, relevant Schedules (including Schedule XIII) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and pursuant to Article 109 of the Articles of Association of the Company and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Phaneesh Murthy as Managing Director and Chief Executive Office of the Company for a period of five (5) years from August 22, 2008 on the terms and conditions as set out in the Agreement dated April 18, 2008 entered into between the Company and Mr. Phaneesh Murthy."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and pursuant to Article 109 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. N. Ramachandran as a Member of the Board of the Company for a further period of five (5) years from June 20, 2008 and for the payment of remuneration as set out in the Letter Agreement dated April 18, 2008 entered into between the Company and Mr. N. Ramachandran."

Registered Office:  
Nos. 158-162P & 165P-170P  
EPIP, Phase II, White Field,  
Bangalore - 560 066

By Order of the Board of Directors  
for iGATE Global Solutions Limited

Bangalore  
April 30, 2008

**Mukund Srinath**  
Vice President - Legal  
& Company Secretary

## NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend the meeting. A proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting. A proxy may not vote except on a poll.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is attached.
3. Documents referred to in this Notice shall be kept open for inspection of the Members of the Company at the Registered Office situated at Nos. 158-162P and 165P-170P, EPIP, Phase II, Whitefield, Bangalore - 560 066 between 10.30 A.M. and 12.30 P.M. on any working day except Saturday till the date of the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from June 23, 2008 to June 30, 2008 (both days inclusive).
5. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statement sets out all the material facts relating to item nos. 4, 5 and 6 of the accompanying Notice of the Fifteenth Annual General Meeting to be held on June 30, 2008.

**ITEM No. 4**

The Board of Directors at its meeting held on October 10, 2007 co-opted Mr. Hariharan Sambhashiva as an Additional Director on the Board of the Company and designated him as 'Member of the Board and Head of Sales and Marketing' and he holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956. Due notice under Section 257 of the Act has been received from a Member proposing the appointment of Mr. Hariharan Sambhashiva as a Director of the Company

An abstract under Section 302 of the Companies Act, 1956 was mailed to the Members of the Company.

The Employment Agreement entered into between the Company and Mr. Hariharan Sambhashiva is kept open for inspection of the Members at the Registered Office situated at 168-162P & 165P-170P EPIP Phase II, Whitefield, Bangalore - 560 066 between 10.30 A.M. and 12.30 P.M. on any working day except Saturday till the date of the Annual General Meeting.

No Director other than Mr. Hariharan Sambhashiva may be deemed to be concerned or interested in the said resolution.

The Board recommends the adoption of the resolution.

**ITEM No. 5**

The Compensation Committee of the Board of Directors (Board) in its Meeting held on April 18, 2008 recommended the remuneration payable to Mr. Phaneesh Murthy (Murthy) on his re-appointment as Managing Director and CEO of the Company. The Board in its Meeting held on April 18, 2008 approved the re-appointment and remuneration payable to Mr. Murthy as Managing Director and CEO of the Company in the manner set out in the resolution in No. 5 to this Notice, subject to the approval the Central Government and the Members in the Annual General Meeting. The proposed terms besides fixing the Base Salary also makes provision for increments that may be granted to him within the specified salary range and such increase in the Annual Performance Based Incentive within the specified range as the Board may determine from time to time.

Mr. Murthy does not satisfy the provisions of Part I (e) of Schedule XIII of the Act as he is not a resident of India and hence an application to Central Government will be made. The remuneration payable to Mr. Murthy is within the permissible limits prescribed under the Act and is commensurate with his educational background, worldwide experience in similar spectrum of business and the responsibilities of heading a Company of this size. His contribution has been significant in improving the operating metrics of the Company including introduction of a new management team and corporate consolidation and changes leading to application of IP driven business models. He has also brought about changes in the intrinsic quality of the Company's engagements - higher offshore revenue contribution, increase in resource utilization and improvements in billing rates which have all resulted in substantial strengths in the core business engine and the ability of the Company to translate them into growing value for its shareholders

The broad terms of the appointment as contained in the Agreement dated April 18, 2008 relating to the re-appointment of Mr. Phaneesh Murthy referred to in the resolution at item 5 of the Notice is set out below:

- i. Period of appointment: Effective from August 22<sup>nd</sup>, 2008 to August 21<sup>st</sup>, 2013 (subject to the approval by the Central Government of his appointment as Managing Director and remuneration payable to him)
- ii. Annual Base Salary: Annual Base Salary of US \$ 5,00,000 (US Dollars Five Lakhs Only) (or a monthly base salary of US\$ 41,666 (US Dollars Forty One Thousand Six Hundred and Sixty Six Only)) provided that the Board of Directors of the Company (Board) may, at their discretion, review the base salary from time to time and grant such increments, not exceeding 33.33% of the then base salary at any one time, as may be deemed appropriate provided that the annual base salary shall not exceed US \$ 7,50,000 (US Dollars Seven Lakhs Fifty Thousand Only) (or a monthly base salary of US\$ 62,500 (US Dollars Sixty Two Thousand Five Hundred Only)).
- iii. Annual Performance Based Incentive: Annual Performance Based Incentive of US \$ 2,00,000 based on the performance criteria determined by the Board provided that the Board may, at their discretion based upon a review of the performance of the Company and the contribution of Mr. Murthy therein, revise the Annual Performance Based Incentive to a higher amount not exceeding US \$ 6,00,000 per annum. The Annual Performance Based Incentive to be quantified and to be paid quarterly/half yearly or annually as the Board may determine.
- iv. Minimum Remuneration: Where in any financial year the Company has no profits or the profits are inadequate, the remuneration payable to Mr. Phaneesh Murthy will be in accordance with the provisions of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.
- v. Expenses: The Company will reimburse all properly documented expenses reasonably related to his performance of duties.
- vi. Holidays: He will be entitled to avail of holidays as per the policies of the Company from time to time.
- vii. Benefits: He is entitled to Company's benefit schemes, which are as per Company's policies in force from time to time.
- viii. He is entitled to a Company leased car.
- ix. Grant of stock options under the Company/Holding Company's Employee Stock Option Plan/s.
- x. He shall perform such duties as may from time to time be entrusted to him by the Board of Directors and he shall function, subject to the superintendence and control of the Board of Directors of the Company.
- xi. No sitting fee shall be paid to him for attending the meetings of the Board of Directors or Committees thereof.

The above terms of re-appointment and the remuneration payable to Mr. Murthy have been incorporated in an Agreement entered into between the Company and Mr. Murthy, the contents of which have been recommended by the

Compensation Committee of the Board and approved by the Board. A copy of the Agreement shall be kept open for inspection of the Members of the Company at the Registered Office situated at Nos. 158-162P and 165P-170P, EPIP, Phase II, Whitefield, Bangalore - 560 066 between 10.30 A.M. and 12.30 P.M. on any working day except Saturday till the date of the Annual General Meeting. An abstract under Section 302 of the Companies Act, 1956 was mailed to the Members of the Company. No Director other than Mr. Murthy may be deemed to be interested or concerned in the said resolution.

The Board recommends the adoption of the resolution.

#### ITEM No. 6

The Compensation Committee of the Board of Directors (Board) in its Meeting held on April 18, 2008 recommended the remuneration payable to Mr. N. Ramachandran on his re-appointment as a Member of the Board and Chief Financial Officer of the Company. The Board in its Meeting held on April 18, 2008 approved subject to the approval of the Members of the Company, the re-appointment and remuneration payable to Mr. N. Ramachandran - Member of the Board and Chief Financial Officer of the Company in the manner set out in the resolution in No. 6 to this Notice. The proposed terms besides fixing the Base Salary also makes provision for increments that may be granted to him within the specified salary range and such increase in the Annual Performance Based Incentive within the specified range as the Board may determine from time to time.

The broad terms of the re-appointment of Mr. N. Ramachandran as contained in the Letter Agreement dated April 18, 2008 are set out below:

- i. The re-appointment of Mr. N. Ramachandran as a Member of the Board and Chief Financial Officer is for a period of 5 years commencing from 20<sup>th</sup> June, 2008 and he will be a member of the Board of Directors of the Company.
- ii. No sitting fee shall be paid to Mr. N. Ramachandran as Director for attending the meetings of the Board of Directors or any Committee thereof.
- iii. The remuneration payable to Mr. N. Ramachandran will be as follows:
  - a. The gross annual remuneration comprising of basic salary, fixed dearness allowance, Rent Free Leased Accommodation or HRA, Flexible Expense Plan and Hard Furnishing shall be Rs.53,00,000/- (Rupees Fifty Three Lakhs only)
  - b. The Board of Directors may review the remuneration from time to time and grant such increments as deemed appropriate provided that the annual remuneration aforesaid shall not exceed Rs.80,00,000/- (Rupees Eighty Lakhs Only)
  - c. The Company and Mr. N. Ramachandran may mutually agree to and/or amend the manner in which the annual remuneration is divided between the various components described above.
  - d. Annual Performance Based Incentive of Rs.18,00,000/- (Rupees Eighteen Lakhs Only) based on the performance criteria determined by the Board provided that the Board may, at their discretion based upon a review of the performance of the Company and the contribution of Mr. N. Ramachandran therein, revise the Annual Performance Based Incentive to a higher amount not exceeding Rs.40,00,000/- (Rupees Forty Lakhs Only) per annum. The Annual Performance Based Incentive to be quantified and to be paid quarterly /half yearly or annually as the Board may determine.

In addition to the above, Mr. N. Ramachandran will be entitled to the following benefits:

- a. Reimbursement of medical expenses including premium paid for hospitalization and domiciliary hospitalization and health insurance policies for self and immediate family.
- b. Provision of telephones, fax and Internet access at residence.
- c. Personal accident insurance for self with premium not exceeding Rs.10,000 per annum.
- d. Participation in and contribution to provident fund, gratuity and superannuation schemes as per Company rules.
- e. Grant of stock options under the Company/Holding Company's Employee Stock Option Plan/s.
- f. Leave with full pay and allowances as per Company rules.
- g. Fees for two clubs including admission fees. This will not include life membership fees.
- h. Terminal compensation equivalent to six months remuneration.
- i. Such other benefits and perquisites, if any, extended to other senior executives of the Company, or the Company may introduce from time to time.

Minimum Remuneration: Where in any financial year the Company has no profits or the profits are inadequate, the remuneration payable to Mr. N. Ramachandran will be in accordance with the provisions of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

A copy of the Letter Agreement entered into between the Company and Mr. N. Ramachandran shall be kept open for inspection of the Members of the Company at the Registered Office situated at Nos. 158-162P and 165P-170P, EPIP, Phase II, Whitefield, Bangalore - 560 066 between 10.30 A.M. and 12.30 P.M. on any working day except Saturday till the date of the Annual General Meeting. An abstract under Section 302 of the Companies Act, 1956 was mailed to the Members of the Company. No Director other than Mr. N. Ramachandran may be deemed to be interested or concerned in the said resolution.

The Board recommends the adoption of the resolution.

Registered Office:  
Nos. 158-162P & 165P-170P  
EPIP, Phase II, White Field,  
Bangalore - 560 066

Bangalore  
April 30, 2008

By Order of the Board of Directors  
for iGATE Global Solutions Limited

**Mukund Srinath**  
Vice President - Legal  
& Company Secretary

# Directors' Report

To all Shareholders,

Your Directors are pleased to present their Report on the business and operations of your Company for the year ended March 31, 2008.

## FINANCIAL RESULTS

	(Rs. '000)	
	2007-08	2006-07
<b>Net Sales / Income from Operations</b>	<b>7,815,148</b>	<b>7,472,741</b>
Cost of Revenue	5,163,831	5,211,466
<b>Gross Profit</b>	<b>2,651,317</b>	<b>2,261,275</b>
Selling, Marketing and other General		
Administration Expenses	1,357,946	1,363,758
<b>Operating Profit</b>	<b>1,293,371</b>	<b>897,517</b>
Other Income	110,088	11,572
Interest	15,690	28,315
Depreciation	387,154	376,972
Profit on sale of Investment in Joint Venture, SAG India Pvt. Ltd.	29,400	-
<b>Profit before taxation</b>	<b>1,030,015</b>	<b>503,802</b>
Provision for Taxation		
Current Tax	119,958	7,656
Less: MAT Credit Entitlement	(101,200)	-
Deferred Tax	(7,021)	-
Fringe Benefit Tax	15,972	14,882
<b>Profit after taxation</b>	<b>1,002,306</b>	<b>481,264</b>
Excess tax provision / refunds for earlier years	6,345	9,380
Provision for diminution in investment/loans due from Subsidiary	(111,356)	-
Long term investment written off	(25,998)	-
Investments in subsidiaries written off on closure	-	(22,790)
<b>Profit for the year</b>	<b>871,297</b>	<b>467,854</b>
Balance brought forward from Previous year	731,947	453,905
<b>Profit available for appropriation</b>	<b>1,603,244</b>	<b>921,759</b>
Deficit on cancellation of investments on merger of subsidiary	19,373	56,400
Proposed Dividend	-	75,881
Dividend paid	34	-
Dividend Tax	2,155	10,746
Transfer to General Reserve	-	46,785
<b>Balance carried to Balance Sheet</b>	<b>1,581,682</b>	<b>731,947</b>

## OPERATIONS REVIEW

Revenues for the year were Rs. 7,815,148 thousand, an increase of 4.59% (previous year 32.62%) over the previous year. The Profit after tax for the year was Rs. 1,002,306 thousand, an increase of 208.27%.

## DIVIDEND

Keeping in view the future growth and expansion plans of the Company, your Directors do not recommend any dividend for the year ended March 31, 2008.

## BUSINESS ACTIVITIES

This has been a year in which your Company has made steady progress in its quest for emerging as a leading integrated technology and operations company.

Your Company added 16 clients during the year under review, of which many have the potential for significant growth. Your Company has experienced good growth spanning all major service lines and through all geographies. Your Company has successfully developed new potentially high growth opportunities in the niche areas of enterprise solutions, data warehousing/business intelligence, testing services and infrastructure management.



You Company focuses on iTOPS (integrated technology and operations) business model, which is focused on the banking, financial and insurance industry to carve a niche for itself in the operations outsourcing space. The iTOPS model is a higher plane in the ITES space wherein your company seeks to leverage strong domain expertise to offer transaction-based pricing and support the customer by using its own technology platform, processes and services in place.

A key positive during the year has been an improvement in the intrinsic quality of your Company's engagements. It has consciously deepened and strengthened the relationship with several of its key clients. This has led to higher offshore revenue contribution, increase in resource utilization, and improvements in billing rates. Further, among the list of your Company's top customers are several that have been acquired in recent past, thereby vindicating the success of this approach.

Your Company has been included in the 2008 Global Services 100 list, a survey of 100 best global services providers. The list represents companies who have the maturity and capability to lead the next wave of services globalization. Your Company has moved up several notches in its position in the "niche players" quadrant in Gartner Inc.'s Magic Quadrant for Offshore Application Services, 2007 Report. These recognitions, the management believes, is a result of your Company's sustained investments in creating Intellectual Property and developing high value business solutions in a global delivery platform that is making a difference in the market place

#### **AWARDS/NOMINATIONS**

- Your Company was ranked among the best employers by Business Today-Mercer-TNS India Best Companies to Work for in India Survey.
- Your Company was ranked No 3 in 'DQ-IDC 20 Best IT Employer Survey 2007'.
- In the BT-Mercer-TNS Best Companies to Work for in India Survey, your Company was ranked No 6.
- Your Company was ranked by CNBC TV 18 as *India's No.1 Employer of Choice* in a survey conducted in collaboration with Watson Wyatt Worldwide and Jobstreet.com
- Your Company was awarded the first prize in the Indian Independence Day Horticultural Show conducted by the Mysore Horticultural Society for its campus at Whitefield, Bangalore.
- Your Company has been nominated to the prestigious Computerworld Chairmen's Committee Honors Program. The Computerworld Honors Program unites Chairmen and CEOs of the world's foremost information technology companies to recognize the most outstanding user achievements in technology each year. Your Company is among the 100 global technology companies nominated for this Program.

#### **PHYSICAL INFRASTRUCTURE**

Phase III of the Project in Whitefield, Bangalore which commenced in February 2006 was completed as per the schedule in March 2007 accommodating 1100 employees. Phase IV of the project in Whitefield, Bangalore commenced in February 2008, and is expected to be completed by March 2009. This facility will house an additional 1000 employees.

#### **CAPITAL STRUCTURE**

During the year 1,89,430, 85,420 and 21,471 stock options were exercised by employees under the iGATE Global Solutions Limited Employees Stock Option Plans 2000 and 2003 and the iGATE Global Solutions Limited Employees Restricted Stock Unit Plan 2006 of the Company respectively and equivalent numbers of equity shares of the Company of the face value of Rs. 4/- each were allotted.

#### **SUBSIDIARIES AND JOINT VENTURES**

iGATE Technology Services Private Limited (ITS), an erstwhile wholly owned subsidiary of the Company was merged with the Company following the approval of the scheme of amalgamation by the shareholders of both the companies and the Honorable High Court of Karnataka. The Honorable High Court of Karnataka passed its final Order on July 27, 2007.

Your Company terminated its joint venture agreement with Software AG, Germany and sold its 49% holding of 7,84,000 shares in Software AG (India) Private Limited to Software AG, Germany.

#### **DELISTING OF SHARES**

The promoters of your Company, i.e.; iGATE Corporation and iGATE Inc. (Promoters) sought voluntary delisting of the equity shares of your Company. The members of the Company, in the Extraordinary General Meeting held on November 13, 2007, accorded their consent for voluntary delisting of shares from the Indian stock exchanges. A reverse book building exercise was successfully conducted in terms of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. The Promoters acquired 4,019,272 equity shares through the reverse book building exercise at an exit price of Rs.410/- per shares. The shares of the Company were delisted from Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Bangalore Stock Exchange Limited with effect from February 04, 2008. The promoters held 98.16% of share capital of the Company as on March 31, 2008.

**EMPLOYEES STOCK OPTION PLANS**

Your Company granted 154,750 stock options to 112 employees during the financial year under the ESOP 2000 and 1,256,950 stock options to 645 employees under Restricted Stock Unit Plan 2006 (RSU Plan).

Consequent to the delisting of the equity shares of your Company from the Stock Exchanges, the employees were given an opportunity to participate in the stock option plan of iGATE Corporation, (our holding company) or to accept the cash settlement offered to them. Accordingly substantially all employees opted to participate in the above program.

**SUBSIDIARY COMPANIES AND CONSOLIDATION OF ACCOUNTS**

In line with the requirements of Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

Your Company has received the approval from the Ministry of Corporate Affairs, Government of India, New Delhi vide their letter No.47/141/2008-CL-III dated April 09, 2008 granting an exemption from attaching the audited accounts of the subsidiaries to the Annual Accounts of your Company, for the financial year ended March 31, 2008. Audited accounts of all subsidiaries of the Company are available at the Registered Office of the Company for inspection by the members of the Company. The Company will make available these documents/details upon request by any member of the Company. The accounts of all these companies have been separately audited as per generally accepted accounting principles / practices as applicable in their respective jurisdiction of the country of incorporation.

The information required to be disclosed by the Central Government letter of exemption is disclosed in the Consolidated Balance Sheet of the Company.

**FIXED DEPOSITS**

Your Company has not accepted any fixed deposits and as such, there were no outstanding of principal or interest payments on the Balance Sheet date.

**RESPONSIBILITY STATEMENT**

In pursuance of the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is annexed to this Report as *Annexure 'A'*.

**DIRECTORS**

Subsequent to the delisting of the equity shares of the Company from the Bangalore, Mumbai and National Stock Exchanges of India, Messers. Dipankar Basu, Karl Heinz Achinger, Jai S Pathak, and N. Balasubramanian Directors of the Company resigned from the Board on February 07, 2008. Your Directors place on record their deep sense of gratitude and appreciation for the valuable service rendered by them during their tenure as Directors of the Company.

Mr. Sunil Wadhvani retires by rotation in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offers himself for re-appointment.

Mr. Hariharan Sambhashiva was appointed as an Additional Director of the Company with effect from October 10, 2007. He holds office till the date of the ensuing Annual General Meeting. Your Board recommends his appointment as a Director of the Company.

Mr. Phaneesh Murthy, Managing Director and CEO of the Company whose term as Managing Director of the Company expires on August 21, 2008, offers himself for re-appointment as the Managing Director and CEO of the Company. The Board of Directors (Board) of the Company in its meeting held on April 18, 2008 have on the recommendation of the Compensation Committee of the Board appointed Mr. Phaneesh Murthy as the Managing Director and CEO of the Company for a further period of five years with effect from August 22, 2008 subject to the approval of the Members of the Company and the Central Government. Your Board recommends his re-appointment as Managing Director and CEO of the Company.

Mr. N. Ramachandran, Member of the Board and Chief Financial Officer of the Company whose term as a Wholetime Director of the Company expires on June 20, 2008, offers himself for re-appointment as a Wholetime Director of the Company. The Board in its meeting held on April 18, 2008 has on the recommendation of the Compensation Committee of the Board appointed Mr. N. Ramachandran as a Wholetime Director of the Company of the Company for a further period of five years with effect from June 21, 2008 subject to the approval of the Members. Your Board recommends his re-appointment as a Wholetime Director of the Company.

**AUDITORS**

Messers. Chandabhoy and Jassoobhoy, the existing Statutory Auditors, retire at the forthcoming Annual General Meeting of your Company. They have however, intimated the Company that they do not wish to seek re-appointment. It is therefore proposed to appoint Messers. S.R. Batliboi & Co., Chartered Accountants, as Statutory Auditors in place of Messers. Chandabhoy and Jassoobhoy, Chartered Accountants from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. Messers S.R. Batliboi & Co., Chartered Accountants,



have indicated their willingness to act as Statutory Auditors of your Company and have further confirmed that the said appointment if made, would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956. A resolution seeking your approval for their appointment has been included in the Notice convening the Annual General Meeting.

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

In pursuance of the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given below :

*Conservation of Energy:* The operations of your Company are not energy - intensive. However, significant measures are being taken to reduce energy consumption by ensuring that the entire product range including personal computers, servers, and peripherals are designed keeping in view the Company's energy saving philosophy. Your Company constantly evaluates new technologies and invests to make its infrastructure more energy efficient. Currently, your Company uses compact fluorescent fittings, T5 fittings and electronic ballasts to reduce power consumption. Air-conditioners with energy efficient screw compressors for central air-conditioning along with variable air volume and variable frequency drive are used. Split air-conditioning, precision air conditioner for localized areas are used. High efficiency hydro- pneumatic pumps are being used in water pumping system. Your Company has installed automatic power factor controllers to save maximum demand charges. Your Company has waste water management techniques in place by virtue of which water is optimally used.

*Research and Development:* As part of our continual improvement journey company had launched Kaizen based initiative called 'Small Steps'. This initiative resulted in many employees taking up improvement projects based on ideas generated within work groups. This participative culture resulted in several innovative solutions to enhance accuracy of output, improve work efficiencies and save costs. Today we have over 125 implemented 'Small Steps' resulting in direct / indirect benefit of over \$750,000. This initiative was identified as a best practice in the industry by BSPIN-East (Software Process Improvement Network, Bangalore East). iGATE also won the overall trophy in National Conference on Quality Management (2007), Anna University based on our presentations in the Whitepaper and Best Practices categories.

An "Annual Customer Satisfaction Survey" by TNS Global was completed. Improvement initiatives taken last year to improve the CSAT scores have resulted in better score as compared to our competitors.

To further strengthen our delivery capabilities, we have implemented CMMI® (Capability Maturity Model® Integration) model and formal assessment by SEI (Software Engineering Institute, Carnegie Mellon University) is planned later this year.

*Technology Absorption:* Your Company does not have any technical collaboration arrangements with any business partners; absorption of such technologies does not arise.

*Foreign Exchange Earnings and outgo:* The Company earned Rs.7,815,148 thousands in foreign exchange as against Rs.7,472,741 thousands in the previous year. The Foreign Exchange outgo, including capital goods was Rs. 3,547,321 thousands as against Rs. 4,227,633 thousands in the previous year.

#### **PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are set out in the Annexure to the Directors Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Director's Report is being sent to all member of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### **ACKNOWLEDGMENTS**

Your Directors thank the Company's business associates/customers, vendors and bankers for their continued support. Your Directors also place on record their appreciation of the continued support received from the holding company iGATE Corporation. Your Directors place on record their appreciation for the significant contribution made by employees at all levels. They have been instrumental in enabling your Company to make rapid progress during the year.

Your Directors also thank the Government of India, the State Governments, Software Technology Park of India, various other government agencies and our shareholder fraternity for their support during the year.

For and on behalf of the Board of Directors

Bangalore  
April 30, 2008

**Ashok Trivedi**  
Chairman

## Annexure to the Directors' Report

### ANNEXURE 'A':

*The Directors' Responsibility Statement as required under Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000*

The Company's financial statements have been prepared on a "going-concern" basis and in conformity with the accounting standards and legislative and regulatory provisions as and to the extent applicable to the company. Accounting policies used in their preparation have been selected for their appropriateness and applied consistently, except where otherwise stated.

The Board of Directors and the Executive Management of iGATE Global Solutions Limited accept responsibility for the integrity and objectivity of these financial statements and affirm that the estimates and judgments relating to these financials have been made on a prudent and reasonable basis in order that the financial statements reflect in a true and fair manner, the form and substance of the transactions and reasonably present the company's state of affairs and profits for the year. To ensure this, the company has taken proper and sufficient care in installing, reviewing and updating on an ongoing basis, a system of internal control and maintenance of accounting records; for safeguarding assets and for preventing and detecting frauds and other irregularities.

The Company's internal auditors have carried out audit assignments to provide reasonable assurance that established policies and procedures have been followed and where appropriate, necessary corrective and strengthening measures have been initiated. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounts.

The Audit Committee periodically meets the internal auditors and statutory auditors to review auditing, internal and financial reporting issues. To ensure complete independence, the Audit Committee meets with the internal and statutory auditors without executive management being present. This facilitates the discussion of substantial issues freely.

For and on behalf of the Board of Directors

Bangalore  
April 30, 2008

**Ashok Trivedi**  
Chairman

