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BOARD OF DIRECTORS

Chairperson	Ms. Renu S. Karnad
Directors	Mr. Satish G. Mehta Mr. Sanjay K. Asher Mr. Joseph Conrad D'Souza Mr. L. K. Narayan Mr. Susir Kumar M.

AUDIT COMMITTEE

Chairperson	Mr. Sanjay K. Asher
Members	Mr. Satish G. Mehta Mr. Joseph Conrad D'Souza

INVESTORS' GRIEVANCE COMMITTEE

Members	Mr. Susir Kumar M. Mr. Joseph Conrad D'Souza
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REMUNERATION COMMITTEE

Chairperson	Mr. L. K. Narayan
Members	Ms. Renu S. Karnad Mr. Susir Kumar M.
Company Secretary & Compliance Officer	Mr. Amit Gupta
Auditors	Price Waterhouse <i>Chartered Accountants</i>
Bank	HDFC Bank Ltd. Hong Kong and Shanghai Banking Corporation Limited Citibank N. A. Bank of India
Registered Office	Intelenet Towers, Plot CST No.1406-A/28, Mindspace, Malad (West), Mumbai 400 064 Tel: (91-22) 6677 6000 Fax: (91-22) 6677 8210 Website: www.sparshindia.com
Registrar & Share Transfer Agent	Bigshare Services Private Ltd.

Forward-Looking Statements

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing Company's objectives, plans, projections, estimates and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

DIRECTORS' REPORT

To the Members,

Your directors are pleased to present the Fourth Annual Report of your Company with the audited accounts for the year ended March 31, 2009.

Financial Results for the year ended

[Rs. in Millions (except per share data)]

Particulars	March 31, 2009	March 31, 2008
Operating Income	2157.44	1610.22
Other Income	1.20	2.19
Total Income	2158.64	1612.41
Operating Expenditure	1859.73	1350.44
Earning Before Depreciation Interest and Tax (EBDITA)	298.91	261.97
Interest and Finance Charges	165.29	82.01
Depreciation and Amortization	254.69	160.04
Profit/ (Loss) before Tax	(121.07)	19.93
Provision for Tax (Net of Credits)	(10.58)	17.00
Profit/ (Loss) after Tax	(110.49)	2.93
Earning Per Share (EPS)		
- Basic	(6.84)	0.18
- Diluted	(6.84)	0.18

Operations

On April 1, 2008, Sparsh had 8 delivery centres across 6 locations in India with a capacity of about 7,200 seats offering multilingual (11 Indian languages) services to clients.

The Company now has about 9,650 seats and work pool of over 11,000 dedicated resources offering services in 14 Indian languages to clients from 13 delivery centres across 8 cities in India (Mumbai, Pune, Gurgaon, Kolkata, Bangalore, Chennai, Pondicherry and Noida). The Company has over 34 clients and about 80 processes. The Company manages processes across several verticals including Banking, Financial Services, Insurance, Telecom, Travel, Retail, Media, Consumer Durables, etc.

The Company's revenue for the year ended March 31, 2009 increased by 33% over the previous year.

Dividend

In view of the losses incurred during the year, your directors do not recommend payment of any dividend.

The Company has not declared any dividend since its incorporation hence there are no unclaimed dividends

Deposits

The Company has not accepted any deposits from the Public since its incorporation.

Open Offer

In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, SKR BPO Services Private Limited (the 'Acquirer'), on June 18, 2007 made a public announcement to the shareholders of the Company to acquire from them up to 3,229,500 equity shares of the Company representing up to 20% of the voting capital of the Company at a price of Rs. 200/- per equity share ("Open Offer"). The Acquirer received the final comments on draft letter of offer from SEBI on April 28, 2008. The open offer commenced on June 12, 2008 and closed on July 1, 2008. Consequent to acquisition of 20% of Company's equity shares by the Acquirer the public shareholding in the Company has reduced from 49% to 29%.

Human Resource Management

At Sparsh, human resource management is considered vital for effective implementation of business plans. Constant endeavors are made to offer professional growth opportunities and recognitions apart from imparting training to employees.

The Company's staff strength as at March 31, 2009 has increased to upwards of 11000, as against around 9300 as at March 31, 2008.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

Since the Company does not own any manufacturing facility, particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not given. However, conservation of energy wherever necessary is an ongoing process in the Company.

The Company had the following foreign exchange earnings and expenditure:

	For the Year ended March 31, 2009	For the year ended March 31, 2008
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency		
– Interest on Foreign Currency loan	Rs. 56,543,554	Rs. 26,454,440

Particulars of Employees

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees in receipt of remuneration of Rs. 24 Lacs or more per annum 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 Directors' Report is being sent to all shareholders of the Company excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

Directors

During the year there were no changes in the Board of Directors of the Company.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Sanjay K. Asher and Ms. Renu Sud Karnad, directors of the Company, retire by rotation at the ensuing annual general meeting and are eligible for re-appointment. Your directors recommend their re-appointment; necessary resolutions for the re-appointment of the aforesaid directors have been included in the Notice convening the annual general meeting.

None of the directors of the Company are disqualified for being appointed as directors as specified in Section 274 of the Companies Act, 1956.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your directors state that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the losses of the Company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. The annual accounts of the Company have been prepared on a going concern basis.

Auditors

M/s. Price Waterhouse, Chartered Accountants, statutory auditors of the Company retire at the ensuing annual general meeting, and being eligible, offer themselves for re-appointment as the statutory auditors of the Company.

Review by the Audit Committee

The Financials of the Company were reviewed by the Audit Committee before being placed before the Board in their meeting held on April 28, 2009.

Management Discussion and Analysis Report and Report on Corporate Governance

In accordance with the listing agreements, the Management Discussion and Analysis Report and Corporate Governance Report form part of this report.

Acknowledgements

Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company. The employees have worked based on principles of honesty, integrity and fair play and this has helped the Company in maintaining its growth.

The directors also wish to place on record their appreciation to shareholders, its customers, the Department of Telecommunications and the Banks for their continued support.

On behalf of the Board of Directors

**Mumbai
April 28, 2009**

**Susir Kumar M.
Chairperson**

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Sparsh believes and has consistently practiced good corporate governance. The Company's policy is reflected by the very values of transparency, professionalism and accountability. The Company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole.

The Company has complied with the provisions of Clause 49 and listed below is the status with respect to the same.

Board of Directors

Composition

The Composition of the Board is in total conformity with Clause 49 of the listing agreement, as amended from time to time. Currently the Board of Directors comprises of six members, all of whom are non-executive directors. Of the six non-executive directors, currently five are independent directors i.e. independent of management and free from any business or other relationship, which could materially interfere with the exercise of their judgment. The said independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in the amended Clause 49 of the listing agreement.

The directors bring to the board a wide range of experience and skills. Brief profiles of the directors being re-appointed at the ensuing annual general meeting are set out in notice for annual general meeting.

The Senior Management have made disclosure to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

Details of the Board of Directors in terms of their directorships/memberships in committees of other public companies (excluding Sparsh) are as under:

Sr. No.	Name	Designation	No. of other Directorships* (as on March 31, 2009)	No. of Committees+ (as on March 31, 2009)	
				Member	Chairperson
1	Ms. Renu S. Karnad	Chairperson	13	3	2
2	Mr. Satish G. Mehta	Director	2	Nil	Nil
3	Mr. Sanjay K. Asher	Director	14	5	3
4	Mr. Joseph Conrad D'Souza	Director	4	Nil	2
5	Mr. L. K. Narayan	Director	2	Nil	Nil
6	Mr. Susir Kumar M.	Director	Nil	Nil	Nil

All except Mr. Susir Kumar M., being the CEO & Managing Director of Intelenet Global Services Private Limited, are independent directors.

* *Alternate directorships, directorships in private limited companies, foreign companies, and Companies under Section 25 of the Companies Act, 1956, membership in governing councils are excluded.*

+ Only two Committees viz. the Audit Committee and the Investors' Grievance Committees are considered.

• *All the directors have made necessary disclosures about committee positions they occupy in other Companies.*

Tenure

All the non-executive directors of the Company are liable to retire by rotation. One-third of the said directors are liable to retire every year and if eligible, offer themselves for re-appointment.

Responsibilities

The Board of Directors represents the interests of the Company's shareholders, in optimising long-term value by providing the management with guidance and strategic direction on shareholders' behalf. The board's mandate is to oversee the Company's strategic direction, review corporate performance, authorise and monitor strategic investments, ensure regulatory compliance and safeguard interests of all stakeholders.

Role of Independent Directors

Independent directors play a key role in the decision-making process of the board as they approve the overall strategy of the Company and oversee the performance of management. The independent directors bring to the Company a wide range of experience, knowledge and judgment as they draw on their varied proficiencies in finance, management, accountancy, law, and corporate strategy which will guide the management to create value for all stakeholders.

Board Procedure and Meetings

The meetings of the Board of Directors are normally held at Mumbai. Meetings are generally scheduled well in advance and the notice of each board meeting is given in writing to each director. The board meets at least once a quarter to review the quarterly performance and the financial results of the Company.

The Company Secretary and in his absence the Financial Controller in consultation with the Chairperson prepares a detailed agenda for the meetings. The board papers, agenda and other explanatory notes are circulated to the directors in advance. The members of the board have complete access to all information of the Company. The members of the board are also free to recommend inclusion of any matter in the agenda for discussion. Senior management is invited to attend the board meetings so as to provide additional inputs to the items being discussed by the board. To enable the board to discharge its responsibility effectively, the Chief Operating Officers apprise the Board at every Meeting of the overall performance of the Company. The Board also inter alia reviews strategy and business plan, annual operating and capital expenditure budgets, investment and exposure limits, compliance report of all applicable laws to the Company, as well as steps taken by the Company to ratify instances of non-compliances, review of major legal issues, adoption of quarterly/ half yearly annual results, major accounting provisions and write-offs, corporate restructuring, and information on recruitment of officers just below the Board level, including Company Secretary & Compliance Officer. The minutes of each board/committee meeting are recorded and draft minutes circulated to all directors for their confirmation before being recorded in the minute books.

The Company has a process to provide the information to the Board as required under Annexure IA of Clause 49 of the listing agreement.

During the year under review, the board met 4 times. The meetings were held on April 29, 2008, July 28, 2008, October 21, 2008 and January 22, 2009. The gap between two meetings did not exceed four months. These meetings were well attended.

The attendance of directors at the board meetings and at the last Annual General Meeting, along with the sitting fees paid to them is listed below:

Sr. No.	Name	Designation	Board Meetings		Attendance at the last Annual General Meeting
			Number of Board Meetings Attended	Sitting Fees Paid Rs.	
1	Ms. Renu S. Karnad	Chairperson	3	30,000/-	No
2	Mr. Satish G. Mehta	Director	2	20,000/-	No
3	Mr. Sanjay K. Asher	Director	3	30,000/-	Yes
4	Mr. Joseph Conrad D'Souza	Director	4	40,000/-	Yes
5	Mr. L. K. Narayan^	Director	1	–	Yes
6	Mr. Susir Kumar M.	Director	4	40,000/-	Yes

Leave of absence was granted to directors who could not attend the respective board meetings.

^ Mr. L.K. Narayan declined to accept any Sitting Fees which the Board has noted with appreciation.

The Board met on April 28, 2009 to approve the audited financial results of the Company for the year ended March 31, 2009.

Board Committees

To enable better and more focused attention on the affairs of the Company, the board delegates particular matters to committees of the board set up for the purpose. These committees prepare the groundwork for decision-making and report at the subsequent board meeting. These committees function within defined terms of reference as approved by the Board of Directors.

Audit Committee

As at March 31, 2009, the Audit Committee consists of three directors, all of whom are independent directors. The members of the committee are Mr. Sanjay K. Asher (Chairperson), Mr. Satish G. Mehta and Mr. Joseph Conrad D'Souza. All the members of the committee are financially literate and have accounting and financial management expertise. The quorum for the meeting of the committee is two members. The Company secretary is the secretary to the committee.

The terms of reference of the Audit Committee *inter alia* includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management

- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
 11. To invite such of the executives, as the Committee considers appropriate (and particularly the head of finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee;
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 14. Review with the CFO the following :
 - i. the deficiencies of design and / or operation of internal controls
 - ii. significant changes in internal control during the year;
 - iii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iv. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
 15. Carrying out any other function as which may be included in the Terms of Reference by the Board from time to time.
 16. To Review and take note of all the information / requirements of the Listing Agreement of the stock exchanges and any other listing requirements as may be applicable presently and in future,

During the year under review, the Audit Committee met 4 times. The meetings were held on April 29, 2008, July 28, 2008, October 21, 2008 and January 22, 2009. The Audit Committee also met on April 28, 2009 prior to finalization of accounts for the financial year ended March 31, 2009.

The details of the attendance of the committee members and the sitting fees paid to them are given below:

Sr. No.	Name	Status	No. of Audit Committee Meetings attended	Sitting Fees paid (Rs.)
1	Mr. Sanjay K. Asher	Chairperson	3	22,500/-
2	Mr. Satish G. Mehta	Member	2	15,000/-
3	Mr. Joseph Conrad D'Souza	Member	4	30,000/-

The Meetings of the Audit Committees are also attended by Financial Controller, Chief Financial Officer, and the Company Secretary. Statutory as well as Internal Auditors of the Company are also invited to the Audit Committee Meetings. Mr. Sanjay K. Asher, Chairperson of the Audit Committee was present at the 3rd Annual General Meeting of the Company held on September 30, 2008.

Remuneration Committee

As at March 31, 2009, the Remuneration Committee consists of three directors, of which two are independent directors and one is non-executive director, the Chairperson being an independent director. The members of the committee are Mr. L. K. Narayan (Chairperson), Ms. Renu S. Karnad and Mr. Susir Kumar M.

The terms of reference of the committee are to formulate the policy on specific remuneration packages for Executive Directors, senior management and formulation and administering of the employee stock option schemes, subject to the approval of the Board, shareholders or the law as the case may be to ensure that the compensation policy of the Company provides performance-oriented incentives for senior management

During the year under review the Remuneration Committee met once on January 22, 2009 and the meeting of the committee was attended by Ms. Renu S. Karnad and Mr. Susir Kumar M. Sitting Fee of Rs.7,500/- each was paid to both the directors for this meeting.

Shareholders'/Investors' Grievance Committee

As at March 31, 2009, the Investors' Grievance Committee comprises Mr. Susir Kumar M. and Mr. Joseph Conrad D'Souza.

Mr. Amit Gupta, Company Secretary and in his absence Mr. Dipesh R. Singhania, Financial Controller has been appointed as the 'Compliance Officer' who shall be responsible for expediting the share transfer formalities.

The committee oversees share transfers and looks into the redressal of shareholder complaints e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. and reviews the processes, standard operating procedures and initiatives taken by the Company relating to investor services.

During the year under review, the Investors' Grievance Committee met 4 times. The meetings were held on April 29, 2008, July 28, 2008, October 21, 2008 and January 22, 2009.

The details of the attendance of the committee members and the sitting fees paid to them are given below:

Sr. No.	Name	Status	No. of Investors' Grievance Committee Meetings attended	Sitting Fees paid (Rs.)
1	Joseph Conrad D'Souza	Member	4	30,000/-
2	Susir Kumar M.	Member	4	30,000/-

During the year, the Company received 6 complaints from shareholders, through stock exchanges, the Securities and Exchange Board of India (SEBI) and the depositories and the same were resolved well within the Company's adopted service standard and there were no pending complaints as at the end of the financial year.

No penalties or strictures have been imposed on the Company by any of the stock exchanges, SEBI or any statutory authority on any matter relating to capital markets, since its incorporation.

Employees Stock Option Scheme

The Company presently does not have an Employees Stock Option Scheme.

Code of Conduct

The Company has framed and adopted a Code of Conduct, which is approved by the Board of Directors. The code is applicable to all directors and senior management of the Company. This code has been posted on the Company's website, www.sparshindia.com. For the year under review, all directors and senior management have confirmed their adherence to the provisions of the said code.

Share Dealing Code

The Company has in place a share dealing code, which has been framed in accordance with the Model Code prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992. The code is applicable to all directors and senior management of the Company. By its terms, all directors and senior management employees are restricted from dealing in the shares of the Company during the 'restricted periods' notified by the Company, from time to time. In compliance with the provisions of the said code, all designated employees of the Company have disclosed their dealings in the shares of the Company and obtained prior approval before dealing in shares in excess of prescribed limits under the said code. This includes disclosures regarding changes in their shareholdings during the financial year and position as at the end of the financial year.

Disclosures

Transactions with Non-Executive Directors

The non-executive directors of the Company do not have any material pecuniary relationships or transactions with the Company or its directors, its senior management, its subsidiary or associate companies - other than in the normal course of business. Mr. Susir Kumar M., Director, is the CEO and Managing Director of Intelenet Global Services Private Limited, which Company currently holds 51% of the equity share capital in Sparsh. The non-executive directors do not hold any shares in the Company (except that Mr. Susir Kumar M. ostensibly holds 10 equity shares in the Company jointly with Intelenet Global Services Private Limited).

Related Party Transactions

There were no materially significant related party transactions with the directors, the management, subsidiaries or relatives of the directors that have a potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. Details of related party transactions are included in the Notes to the Accounts.

Accounting Standards

The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.

Risk Management

The Company has laid down procedures to apprise the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

Proceeds from Issues

During the year under review, the Company has not made an issue of any Equity Shares or non-convertible debentures and foreign currency convertible bonds.

Remuneration of Directors

The Board of directors of the Company at their meeting held on January 23, 2007 resolved to pay Sitting Fees to each director at the rate of Rs. 10,000/- for each meeting of the Board of Directors of the Company and Rs. 7500/- for each meeting of a Committee thereof. Mr. L.K. Narayan declined to accept any Sitting Fees which the Board noted with appreciation.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report.

Communication and Relationships with Shareholders

The Company has over 5,400 shareholders. Since the listing of the Company on the Bombay Stock Exchange Limited (BSE), the quarterly and annual results are sent to the BSE and also published in the Business Standard / Free Press Journal/Financial Express and Navshakti. The financial results have been displayed on the Company's website, www.sparshindia.com. The Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report, and Shareholders' Information forms a part of the Annual Report. There were no presentations made to the institutional investors or analysts.

e-mail ID for investors grievances: complianceofficer@sparshindia.com

Annual General Meetings (AGM)

The details of the last three AGMs are given below. No special resolution has been passed through postal ballot.

Financial Year	Date	Time	Venue	Number of Special Resolutions passed
First Annual General Meeting, 2005-2006	August 03, 2006	3:00 PM	Intelenet Towers, Plot CST No.1406-A/28, Mindspace, Malad (West), Mumbai 400 064	1
Second Annual General Meeting, 2006-2007	September 14, 2007	11.30 AM	Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai-400020	1
Third Annual General Meeting, 2007-2008	September 30, 2008	10.00 AM	Hotel Grand Sarovar Premiere, Senate 1, 1 st Floor, A.K. Plaza, Veer Savarkar Flyover, S. V. Road, Goregaon (W), Mumbai-400 062	–

No special resolution is proposed to be passed through postal ballot at the ensuing AGM.

Mandatory Requirements

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreement with the stock exchanges.

Non-Mandatory Requirements

The Company has not adopted the non-mandatory requirements as stipulated in Clause 49 of the listing agreement with the stock exchanges. However, the Company has a whistleblower policy, and particulars relating to the remuneration committee formed by the Board are given in this report.

Compliance

The Company has submitted the quarterly compliance reports in the prescribed format to the stock exchanges.

Certificate from a Practicing Company Secretary that the Company, during the year under review, has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the stock exchanges is annexed to the Directors' Report and will be forwarded to the stock exchanges and the Registrar of Companies, Maharashtra along with the Annual Report.

Going Concern

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing financial statements.

On behalf of the Board of Directors

Mumbai
April 28, 2009

Susir Kumar M.
Chairperson

SHAREHOLDER INFORMATION

Annual General Meeting	
Date & Time :	September 24, 2009 at 10.30 a.m.
Venue :	Hotel Grand Sarovar Premiere, A. K. Plaza, Veer Savarkar Flyover, S. V. Road, Goregaon (West), Mumbai – 400 062
Financial Calendar	The Company follows April to March as its financial year. The results for every quarter beginning from April will be declared within the time prescribed under the Listing Agreement.
Date of Book Closure	September 18, 2009 to September 24, 2009 (both days inclusive)
Dividend Payment Date	No Dividend has been declared during the year ended March 31, 2009
Listing on Stock Exchanges & payment of listing fees	The Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid the annual listing fees for the year 2008-2009 to the aforesaid Stock Exchanges within the stipulated time.
Stock Code / Symbol	532833 SPARSHBPO
Demat -ISIN Number for NSDL & CDSL	INE847H01011
Monthly high and low quotation of shares on the BSE during the financial year 2008-2009	Please see in the following pages.
Stock Performance in comparison to BSE Sensex	Please see in the following pages.
Registrar and Transfer Agents	Bigshare Services Private Limited Unit: Sparsh BPO Services Limited E-2, Ansa Industrial Estate, 3 Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel. No. 022 – 2847 0652/53 Fax No. 022 – 2847 5207 E-mail: bigshare@sify.com
Share Transfer System	All the transfers are effected through the Registrar and Transfer Agents and approved by the Share Transfer Committee of the Company. There are no pending share transfer requests as on March 31, 2009.
Distribution of Shareholding as on March 31, 2009	Please see in the following pages.
Dematerialization of Shares	As at March 31, 2009, 48.97% of the equity share capital, representing 79,07,239 shares was held in dematerialized form.

Offices	The addresses for Registered Office, Corporate Office and its delivery centres are as given below :	
	Registered Office	Intelenet Tower, Plot CST No. 1406-A/28, Malad (West), Mumbai 400 064
	Corporate Office & Delivery Centre (1)	325, Lakme Building, B. S. Deoshi Marg, Deonar, Mumbai 400 088
	Delivery Centre (2)	Sparsh Tower I, 94/95, Udyog Vihar, Phase IV, Gurgaon, Haryana 122 016
	Delivery Centre (3)	Sparsh Tower II, 409 Udyog Vihar, Phase III, Gurgaon, Haryana 122 016
	Delivery Centre (4)	3rd Floor, Prince Info Park, 81B, 2nd Main Road, Ambattur Industrial Estate, Chennai 600 058
	Delivery Centre (5)	The Excellency, P. H. Pappanna Street, Off. St. Marks Road, Bangalore 560 001
	Delivery Centre (6)	5th Floor, Alpha II, Giga Space IT Park, Viman Nagar, Pune 411 014
	Delivery Centre (7)	5th Floor J1-14, Block EP, Sector V, Salt Lake City, Kolkatta 700 091
	Delivery Centre (8)	Nesco Compound, Gate #3 Hall # 4, Opp. Mahananda dairy, Western Express Highway, Goregoan (East), Mumbai 400 063
	Delivery Centre (9)	“AJ I.T. PARK” R.S. No: 15/5&6, Vazhudhavur Road, Kurumampet, Pondicherry
	Delivery Centre (10)	A-4, Sector 4, Noida, District Gautam Budh Nagar, Uttar Pradesh - 201301
	Delivery Centre (11)	No. 31, Kempapura, Hebbal, Bangalore – 560024
	Delivery Centre (12)	Millennium Business Park, Sector No. 2 Bldg. No. 1, Mahape, Mumbai – 400 701
	Delivery Centre (13)	5th Floor, J1- 14, Block EP, Kredent Tower, Sector V, Kolkata - 700 091

Address for Correspondence Shareholders'	<p>For any assistance regarding dematerialization of Shares , Share Transfers , transmissions , change of address, non receipt of dividend, if any, or any other query relating to shares please write to Big Share Services Private Limited at their addresses mentioned above.</p> <p>For general correspondence: Sparsh BPO Services Limited Intelenet Towers, Plot CST No. 1406-A/28, Mindspace, Malad (West), Mumbai - 400 064 Tel. No. +91 22 6677 6000 Fax No. +91 22 6677 8210 Web: www.sparshindia.com email: complianceofficer@sparshindia.com</p>
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Monthly high and low quotation of shares on the BSE during the financial year 2008-2009

Month	High (Rs.)	Low (Rs.)
April 2008	153.75	125.50
May 2008	162.40	149.50
June 2008	157.75	121.00
July 2008	130.00	52.15
Aug 2008	61.90	51.40
Sept 2008	62.00	40.50
Oct 2008	46.00	24.20
Nov 2008	30.25	18.35
Dec 2008	28.20	20.50
Jan 2009	35.95	27.00
Feb 2009	32.40	27.00
March 2009	31.10	21.50

Stock Performance in comparison to BSE Sensex for the financial year 2008-2009

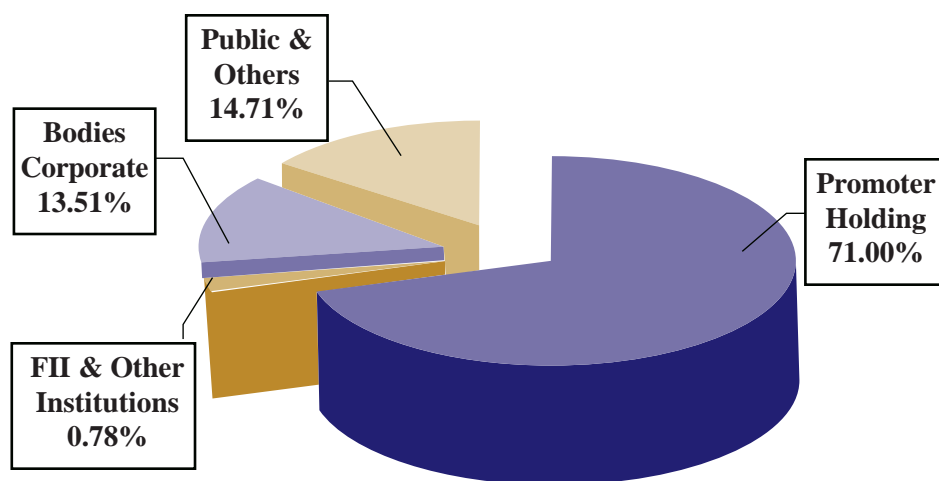
Month	Sensex Close at the end of the Month	Sparsh Close at the end of the Month
April 2008	17287.31	149.90
May 2008	16415.57	154.05
June 2008	13461.60	127.25
July 2008	14355.75	57.60
Aug 2008	14564.53	56.40
Sept 2008	12860.43	44.00
Oct 2008	9788.06	28.85
Nov 2008	9092.72	20.50
Dec 2008	9647.31	28.00
Jan 2009	9424.24	31.25
Feb 2009	8891.61	30.50
March 2009	9708.50	22.90

Distribution of Shareholding as on March 31, 2009

Number of Shares Held	Number of Shareholders	Number of Shares Held	% Holding
1 - 5000	5354	770280	99.02%
5001 - 10000	18	139373	0.33%
10001 - 20000	12	172787	0.22%
20001 - 30000	3	75715	0.06%
30001 - 40000	4	131634	0.07%
40001 - 50000	0	0	0.00%
50001 - 100000	6	440656	0.11%
100001 and above	10	14417055	0.19%
TOTAL	5407	16147500	100.00%

Shareholding Pattern as on March 31, 2009

Category	Number of Shareholders	Number of Shares Held	% Holding
Promoter Holding	8	11464725	71.00%
FII & Other Institutions	2	125222	0.77%
Bodies Corporate	235	2181670	13.51%
Public and Others	5162	2375883	14.72%
	5407	16147500	100.00%

CATEGORIES OF SHAREHOLDER

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) Introduction

With its customers spread across various segments like Telecom, Banking & Financial Services, Insurance and Retail, and its work force of over 11000 employees spread over 8 cities, the Company is uniquely positioned to be a significant player in the domestic call centre business.

(B) Opportunities

The Company seeks to harness business opportunities on the following strengths, it possesses:

- Delivering through 13 centers across 8 cities in India
- Managing a wide array of processes across verticals including Banking, Financial Services, Insurance, Telecom, Travel, Retail, Media, Consumer Durables, etc.
- Providing customized outsourcing services and solutions to over 34 clients and about 80 distinct processes
- Current capacity of about 9650 seats
- Work pool of over 11000 dedicated resources
- Offering multilingual Indian languages including English, Hindi, Punjabi, Marathi, Gujarati, Kannada, Telugu, Malayalam, Tamil, Bengali, Assamese and Oriya services to customers.

(C) Risks & Concerns

The Company perceives the following risks and concerns

Internal:

- 1) A significant portion of Company's revenue is from a small number of clients. The loss of any of the major clients, a decrease in the volume of work they outsource or a decrease in the price which they are willing to pay for the services of the Company may adversely affect revenues and profitability.
- 2) The Company's growth depends on acquiring new customers for its services apart from increasing business from existing customers.
- 3) The Company's success depends largely upon its skilled and trained manpower both at the Customer Service Executive level, its senior management and key personnel as well as and its ability to attract and retain these personnel.
- 4) The Company operates in a highly competitive environment and this competitive pressure on the business is likely to continue.
- 5) The Company's client contracts can usually be terminated without cause and with little or no notice or penalty, which could negatively impact its revenues and profitability.
- 6) The Company currently has a high employee turnover ratio. However this is an industry wide phenomenon.

External:

- 1) Vulnerability to business cycles could affect the Company's capacity to sustain a growth in income, profits and shareholders value.
- 2) Terrorist attacks and other acts of violence or war, including those involving India could adversely affect operations of the Company resulting in a loss of business confidence.

(D) Segment-wise Or Product-wise Performance

The Company operates in a single product segment viz. domestic Call Centre Services, hence segment-wise or product-wise performance is not relevant.

(E) Outlook

With the maturing of the economy and increased emphasis on customer care, the trend for outsourcing domestic call centre activity has moved to virtually all types of business viz. entertainment, retailing, airlines, utilities to name a few. Further the clients have started showing a marked preference for companies which possess both skill and scale.

The Board expects that this will augur well for the Company.

(F) Internal Control Systems and their Adequacy

The Company has adequate internal control systems commensurate with its size and the nature of its business.

(G) Discussion on Financial Performance with Respect to Operational Performance

On April 1, 2008, Sparsh had 8 delivery centres across 6 locations in India (Mumbai, Pune, Gurgaon, Kolkata, Bangalore, Chennai) with a capacity of about 7200 seats offering multilingual (11 Indian languages) services to clients.

The Company now has expanded into 13 delivery centres across 8 locations in India (Mumbai, Pune, Gurgaon, Kolkata, Bangalore, Chennai, Pondicherry and Noida) with about 9650 seats and work pool of over 11000 dedicated resources offering services in 14 Indian languages to clients. The Company has over 34 clients and about 80 processes. The Company manages processes across several verticals including Banking, Financial Services, Insurance, Telecom, Travel, Retail, Media, Consumer Durables, etc.

The Company's revenue for the period from year ended March 31, 2009 increased by 33% over the previous year.

(H) Human Resources and Employee Relations

The relations between the Company and the employees are cordial.

On behalf of the Board of Directors

Mumbai
April 28, 2009

Susir Kumar M.
Chairperson

CEO/CFO CERTIFICATION

We Susir Kumar M., Director, and Sachin Raje, Chief Financial Officer of Sparsh BPO Services Limited, there being no designated CEO in the Company, hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement, of Sparsh BPO Services Limited for the year ended March 31, 2009 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

For Sparsh BPO Services Limited

Mumbai
April 28, 2009

Susir Kumar M.
Director

Sachin Raje
Chief Financial Officer

ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49 (I) (D)(II) OF THE LISTING AGREEMENT

As per the requirements of clause 49(I)(D)(ii) of the Listing Agreement, I, Susir Kumar M., Director of Sparsh BPO Services Limited, there being no designated CEO in the Company hereby declare that all the Board members & Senior Management personnel of the Company have affirmed compliances with the Company's Code of Conduct for the year 2008-09

For Sparsh BPO Services Limited

Mumbai
April 28, 2009

Susir Kumar M.
Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of Sparsh BPO Services Limited

I have examined all the relevant records of Sparsh BPO Services Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange for the financial year ended March 31, 2009. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place: Mumbai
Date: April 28, 2009

(Rajkumar Tiwari)
Practising Company Secretary

C.P. No.: 2400 FCS: 4227

AUDITORS' REPORT TO THE MEMBERS OF SPARSH BPO SERVICES LIMITED

1. We have audited the attached Balance Sheet of Sparsh BPO Services Limited ('the Company'), as at 31st March, 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, (all together referred to as the 'financial statements') which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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, 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss 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.

For **Price Waterhouse**
Chartered Accountants

Vilas Y. Rane
Partner
Membership No.: F-33220

Mumbai: April 28, 2009

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Sparsh BPO Services Limited on the financial statements for the year ended 31st March, 2009]

1. a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets.
b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us, pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us, the Company during the year has not disposed off substantial part of its fixed assets.
2. The main activity of the Company is to carry on the business of call center and business process outsourcing services, and accordingly, the matters specified in paragraphs 4 (ii)(a), 4 (ii)(b) and 4 (ii)(c) of the Order are not applicable.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii)(a), 4(iii)(b), 4(iii)(c) and 4(iii)(d) of paragraph 4 of the Order are not applicable to the Company for the current year.
b) The Company has taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amounts involved during the year and the year-end balances of such loans aggregates to Rs. 1,359,545,000 and Rs. 1,269,545,000 respectively.
c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
4. In our opinion, and according to the information and explanations given to us, the Company has adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of fixed assets and sale of services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the activities of the Company. Accordingly, provisions of paragraph 4 (viii) of the said Order are not applicable to the Company.

9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable to the Company for the current year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks. The Company has not obtained any borrowings by way of debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. We have been informed that one of the employee perpetrated a fraud on one of the clients of the Company by manipulating credit limits on customer card accounts. The said fraud was detected and reported during the year. The Company paid a total claim of Rs. 12,651,545 to the client and has recovered Rs. 8,700,000 from the related insurance policy. During the course of our examination of books of account, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, no other fraud on or by the Company has been noticed or reported during the year.

For **Price Waterhouse**
Chartered Accountants

Vilas Y. Rane
Partner
Membership No.: F-33220
Mumbai: April 28, 2009

SPARSH BPO SERVICES LIMITED**Balance Sheet as at March 31, 2009**

	Schedule	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	161,475,000	161,475,000
Loan Funds			
Secured Loan	2	599,885,525	722,695,629
Unsecured Loans	3	1,269,545,000	737,045,000
Deferred Tax Liability (Net) (refer note 12 of Schedule 15)		3,352,421	13,004,483
TOTAL		<u>2,034,257,946</u>	<u>1,634,220,112</u>
APPLICATION OF FUNDS			
Fixed Assets			
	4		
Gross Block		1,868,217,407	1,346,514,726
Less: Depreciation		504,519,244	250,218,715
Net Block		1,363,698,163	1,096,296,011
Capital Work in Progress		60,832,402	61,249,581
		<u>1,424,530,565</u>	<u>1,157,545,592</u>
Current Assets, Loans and Advances			
Sundry Debtors	5	398,749,802	389,468,581
Cash and Bank Balances	6	36,354,662	74,594,756
Loans and Advances	7	446,513,563	313,944,098
		<u>881,618,027</u>	<u>778,007,435</u>
Less: Current Liabilities and Provisions			
Current Liabilities	8	373,972,602	305,015,239
Provisions	9	11,932,721	5,881,140
		<u>385,905,323</u>	<u>310,896,379</u>
Net Current Assets		<u>495,712,704</u>	<u>467,111,056</u>
Profit & Loss Account		114,014,677	9,563,464
TOTAL		<u>2,034,257,946</u>	<u>1,634,220,112</u>
Notes to Account	15		

As per our Report of even date

For **Price Waterhouse**
Chartered Accountants**Vilas Y. Rane**
Partner
Membership No. F-33220Mumbai
Date: April 28, 2009

For and on behalf of the Board of Directors

Dipesh R. Singhania
Financial Controller**Sachin Rajee**
Chief Financial Officer**Amit Gupta**
Company SecretaryMumbai
Date: April 28, 2009**Susir Kumar M.**
Chairman**Satish Mehta**
Director**Conrad D'Souza**
Director

SPARSH BPO SERVICES LIMITED
Profit and Loss Account for the Year Ended March 31, 2009

	<u>Schedule</u>	<u>For Year ended 31.03.2009 (Rupees)</u>	<u>For Year ended 31.03.2008 (Rupees)</u>
INCOME			
Operating Income		2,157,444,552	1,610,222,422
Other Income	10	1,198,727	2,188,882
		<u>2,158,643,279</u>	<u>1,612,411,304</u>
EXPENDITURE			
Staff Expenses	11	1,304,519,318	957,858,075
Establishment Expenses	12	414,973,611	303,099,549
Other Operating Expenses	13	140,241,836	89,478,950
Depreciation and Amortisation	4	254,693,697	160,040,851
Interest and Finance Charges	14	165,286,580	82,005,995
		<u>2,279,715,042</u>	<u>1,592,483,420</u>
Profit / (Loss) before tax		(121,071,763)	19,927,884
Provision for tax:			
Current Tax - Minimum Alternate Tax		-	1,549,063
Less: Minimum Alternate Tax entitlement		-	(1,549,063)
Deferred Tax Expense / (Credit)		(12,761,639)	15,711,415
Fringe Benefit Tax		2,180,016	1,288,740
		<u>(10,581,623)</u>	<u>17,000,155</u>
Profit / (Loss) after tax		(110,490,140)	2,927,729
Adjustment (net of tax) on early adoption of AS 30 (refer note 14 of Schedule 15)		6,038,927	-
Balance brought forward from previous year		(9,563,464)	(12,491,193)
Balance carried to Balance Sheet		(114,014,677)	(9,563,464)
Earnings Per Share (Face Value Rs. 10) : (Refer note 11 of schedule 15)			
- Basic and Diluted		(6.84)	0.18
Notes to Account	15		

As per our Report of even date

 For **Price Waterhouse**
Chartered Accountants

Vilas Y. Rane
Partner
Membership No. F-33220

 Mumbai
Date: April 28, 2009

For and on behalf of the Board of Directors

Dipesh R. Singhania
Financial Controller

Sachin Raje
Chief Financial Officer

Amit Gupta
Company Secretary

 Mumbai
Date: April 28, 2009

Susir Kumar M.
Chairman

Satish Mehta
Director

Conrad D'Souza
Director

SPARSH BPO SERVICES LIMITED

Cash Flow Statement for the Year Ended March 31, 2009

	For Year ended 31.03.2009 (Rupees)	For Year ended 31.03.2008 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	(121,071,763)	19,927,884
<i>Adjustments for:</i>		
Depreciation and Amortisation	254,693,697	160,040,851
Interest and Finance Charges	165,286,580	82,005,995
Interest Income	(1,022,845)	(399,355)
Unrealised Loss/ (Gain) from Foreign Exchange Fluctuation	40,483,813	27,671,554
Loss on Sale / Disposal of Fixed Assets	-	1,477,640
Provision for Doubtful Debts	42,804,780	19,302,322
Provision / (Writeback) for Gratuity	(207,209)	492,568
Provision for Compensated Absences	6,567,030	360,129
Operating profit before working capital changes	387,534,083	310,879,588
Decrease / (Increase) in Sundry Debtors	(52,086,001)	(154,905,828)
Decrease / (Increase) in Loans and Advances	(13,267,588)	(5,875,369)
(Decrease) / Increase in Current Liabilities & Provisions	9,972,520	44,783,388
Cash generated from Operations	332,153,014	194,881,779
Income Taxes Paid (including Fringe Benefit Tax)	(74,064,636)	(130,019,303)
Net Cash from Operating Activities	258,088,378	64,862,476
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(466,332,566)	(419,194,165)
Proceeds from Sale of Fixed Assets / Insurance Claim	-	5,625,067
Interest Received	1,115,059	164,605
Net Cash used in Investing Activities	(465,217,507)	(413,404,493)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of Term Loans (Net)	330,845,116	469,407,229
Interest Paid	(161,956,081)	(103,017,831)
Net Cash from Financing Activities	168,889,035	366,389,398
Net Increase / (Decrease) in Cash and Cash Equivalents	(38,240,094)	17,847,381
Cash and Cash equivalents at April 1	74,594,756	56,747,375
Cash and Cash equivalents at March 31	36,354,662	74,594,756
<i>Reconciliation of Cash and Cash Equivalents</i>		
As per Balance Sheet - Schedule No. 7	36,354,662	74,594,756
As per Cash Flow Statement (Above)	36,354,662	74,594,756

Notes : 1 Cash and Cash Equivalents include Cash, Bank Balances in Current Account and Bank Fixed Deposits.
2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements.

As per our Report of even date

For **Price Waterhouse**
Chartered Accountants

Vilas Y. Rane
Partner
Membership No. F-33220

Mumbai
Date: April 28, 2009

For and on behalf of the Board of Directors

Dipesh R. Singhania
Financial Controller

Sachin Raje
Chief Financial Officer

Amit Gupta
Company Secretary

Mumbai
Date: April 28, 2009

Susir Kumar M.
Chairman

Satish Mehta
Director

Conrad D'Souza
Director

SPARSH BPO SERVICES LIMITED

Schedules forming part of Balance Sheet

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
Schedule 1 - Share Capital		
<u>Authorised</u>		
25,000,000 (PY - 25,000,000) equity shares of Rs. 10/- each	250,000,000	250,000,000
<u>Issued and Subscribed</u>		
16,147,500 (PY - 16,147,500) equity shares of Rs. 10/- each fully paid up. The above includes	161,475,000	161,475,000
(a) 8,235,225 (PY - 8,235,225) equity shares held by Intelenet Global Services Private Limited, the holding Company		
(b) 3,229,500 (PY - Nil) equity shares held by SKR BPO Services Private Limited		
(c) 7,912,275 (PY - 7,912,275) equity shares allotted in pursuance of Scheme of Arrangement, without payment being received in cash		
	161,475,000	161,475,000
Schedule 2 - Secured Loans		
<u>From Banks</u> [refer note 5 of schedule 15]		
Term loan (foreign currency denominated) [repayable within one year - Rs.203,258,298/- (PY - Rs. 159,223,938)]	406,516,595	477,671,815
Working capital loans (Rupee denominated)	30,000,000	65,000,000
<u>Others</u>		
Term loans from finance companies [repayable within one year - Rs. 110,716,064/- (PY - Rs. 84,212,709)]	163,368,930	180,023,814
	599,885,525	722,695,629
Schedule 3 - Unsecured Loans		
- From the holding company	284,545,000	357,045,000
- From a fellow subsidiary company	985,000,000	345,000,000
- From banks	-	35,000,000
	1,269,545,000	737,045,000

SPARSH BPO SERVICES LIMITED**Schedule forming part of Balance Sheet****Schedule 4 - Fixed Assets***(Amount in Rupees)*

Asset Description	Gross Block				Depreciation			Net Block	
	As at April 1, 2008	Additions	Deletions / Sales	As at March 31, 2009	Up to March 31, 2008	For the Year	On deletions / Sales	As at March 31, 2009	As at March 31, 2008
Leasehold improvements	95,280,606	78,201,679	-	173,482,285	11,516,015	26,752,195	-	135,214,075	83,764,591
Plant and machinery	320,423,285	202,980,031	-	523,403,316	31,789,466	41,972,926	-	449,640,924	288,633,819
Computers	578,858,819	58,649,432	-	637,508,251	153,302,073	121,175,992	-	363,030,186	425,556,746
Furniture and fixtures	222,322,658	87,452,229	-	309,774,887	29,738,249	33,473,867	-	246,562,771	192,584,409
Office equipment	50,732,359	45,652,427	-	96,364,786	10,993,579	12,193,899	-	73,177,308	39,738,780
Motor vehicles	393,168	-	393,168	-	176,656	216,512	393,168	-	216,512
Intangible assets									
Software	66,647,727	49,180,051	-	115,827,778	10,331,457	17,722,696	-	87,773,625	56,316,270
Goodwill	11,856,104	-	-	11,856,104	2,371,220	1,185,610	-	8,299,274	9,484,884
Total	1,346,514,726	522,095,849	393,168	1,868,217,407	250,218,715	254,693,697	393,168	1,363,698,163	1,096,296,011
Previous Year - Total	770,688,234	585,368,486	9,541,994	1,346,514,726	92,617,149	160,040,851	2,439,285		
Capital work-in-progress at cost and advance payments against capital expenditure									
Total Fixed Assets (Including Capital Work-In-Progress)								60,832,402	61,249,581
								1,424,530,565	1,157,545,592

Notes:

Depreciation for the year includes accelerated depreciation of Rs. 137,878/- on Motor Vehicles and Rs. 11,930,172/- on Leasehold improvements.

SPARSH BPO SERVICES LIMITED
Schedules forming part of Balance Sheet

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
Schedule 5 - Sundry Debtors		
[Unsecured]		
Over six months – considered good	55,243,480	67,483,619
Over six months – considered doubtful	55,444,878	20,390,320
	<u>110,688,358</u>	<u>87,873,939</u>
Other debts – considered good	343,506,322	321,984,962
Other debts – considered doubtful	7,750,222	–
	<u>351,256,544</u>	<u>321,984,962</u>
	<u>461,944,902</u>	<u>409,858,901</u>
Less: Provision for doubtful debts	63,195,100	20,390,320
	<u>398,749,802</u>	<u>389,468,581</u>
Schedule 6 - Cash and Bank Balances		
Cash on hand	–	–
Balances with scheduled banks		
Current account	34,862,202	73,273,296
Fixed deposits (under lien)	1,492,460	1,321,460
	<u>36,354,662</u>	<u>74,594,756</u>
Schedule 7 - Loans and Advances and Other Current Assets		
[Unsecured and considered good]		
Advances recoverable in cash or in kind or for value to be received	12,237,539	6,169,150
Security deposits	85,653,304	62,442,146
Interest accrued on bank deposits	176,762	268,976
Unbilled revenue	56,675,859	72,687,818
Fair value of derivative instrument (refer note 14 of Schedule 15)	47,509,471	–
Taxes paid (including fringe benefit tax)	244,260,628	172,376,008
	<u>446,513,563</u>	<u>313,944,098</u>
Schedule 8 - Current Liabilities		
Sundry creditors		
Micro, Small and Medium Enterprises (refer note 17 of Schedule 15)	1,337,065	–
Others	104,851,323	29,021,773
Other liabilities	251,659,842	265,816,277
Interest accrued but not due	8,038,556	4,708,058
Book overdraft	8,085,816	5,469,131
	<u>373,972,602</u>	<u>305,015,239</u>
Schedule 9 - Provisions		
Provision for gratuity	–	515,449
Provision for compensated absences	10,383,658	3,816,628
Provision for tax	1,549,063	1,549,063
	<u>11,932,721</u>	<u>5,881,140</u>

SPARSH BPO SERVICES LIMITED

Schedules forming part of Profit and Loss Account for the Year Ended March 31, 2009

	For Year Ended 31.03.2009 (Rupees)	For Year Ended 31.03.2008 (Rupees)
Schedule 10 - Other Income		
Interest (TDS - Rs. 46,536, PY - Rs. 10,622)	1,022,845	399,355
Other income	175,882	1,789,527
	<u>1,198,727</u>	<u>2,188,882</u>
Schedule 11 - Staff Expenses		
Salaries, allowances and incentives	1,155,142,196	840,884,162
Contribution to provident and other funds	69,339,432	53,184,862
Staff welfare expenses	20,851,089	19,612,047
Recruitment expenses	11,499,570	10,722,472
Transportation expenses	47,687,031	33,454,532
	<u>1,304,519,318</u>	<u>957,858,075</u>
Schedule 12 - Establishment Expenses		
Rent, rates & taxes	166,537,141	136,203,655
Electricity charges	104,860,259	86,423,443
Communication charges (net of discounts and reimbursements)	12,764,246	10,939,481
Repairs and maintenance - plant and machinery	17,635,510	1,397,661
Repairs and maintenance - others	37,164,935	12,116,814
Facility maintenance expenses	76,011,520	56,018,495
	<u>414,973,611</u>	<u>303,099,549</u>
Schedule 13 - Other Operating Expenses		
Auditors remuneration	1,418,672	1,207,173
Sales and business promotion	741,766	655,471
Travelling and conveyance	18,812,318	15,054,821
Legal and professional fees	6,168,992	4,444,124
Director's sitting fees	295,000	302,500
Insurance	2,356,891	2,119,597
Printing and stationery expenses	8,432,829	12,251,919
Advertisement expenses	144,159	317,633
Registration & filing fees	1,241,377	1,279,362
Foreign exchange fluctuation loss	40,483,813	27,671,554
Provision for doubtful debts and bad debts written off	52,500,000	19,302,322
Loss on sale / disposal of fixed assets	-	1,477,640
Miscellaneous expenses	7,646,019	3,394,834
	<u>140,241,836</u>	<u>89,478,950</u>
Schedule 14 - Interest and Finance Charges		
Interest on term loans	70,705,296	40,445,943
Interest on loans from holding company	32,363,600	24,951,151
Interest on loans from fellow subsidiary company	51,066,849	4,129,315
Interest on working capital loans from banks	8,893,332	11,297,642
Bank and finance charges	2,257,503	1,181,944
	<u>165,286,580</u>	<u>82,005,995</u>

SPARSH BPO SERVICES LIMITED

Schedules forming part of the Accounts

Schedule 15 – Notes to Account

1. Sparsh BPO Services Limited (the Company) was incorporated on November 10, 2005 to carry on the business of information technology enabled services including activities in areas of call centre, transaction processing, back office activities and related services.

2. Significant Accounting Policies

a. Basis of Accounting

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, accounting standards notified under sub-section (3c) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

b. Going Concern

The Company has incurred losses during the year and the networth of the company is significantly eroded. However, in view of cash profits earned during the year from operating activities, expected cash inflows from future operations as per the business plan and financial support provided by group companies, the Company is confident of being able to continue and operate the business as a going concern and accordingly these financial statements have been prepared on a going concern basis.

c. Fixed Assets

Fixed assets are stated at their original cost of acquisition/installation less accumulated depreciation. Subsequent expenditure, which substantially enhances the previously assessed standard of performance of the assets, is added to the carrying value. Costs also include all identifiable expenditure incurred to bring the assets to its present condition and location. Fixed assets held for disposal are stated at lower of carrying value or their estimated net realisable value.

d. Depreciation/Amortisation

Depreciation is provided on fixed assets on straight line method over their estimated useful life at the rates which are given below:

Asset Category	Rate of Depreciation (%)
<u>Tangible</u>	
Leasehold improvements	10.00
Computers	20.00
Office equipments	16.67
Furniture and fixtures	10.00
Plant and machinery	10.00
Motor cars	20.00
<u>Intangible</u>	
Computer software	20.00
Goodwill	10.00

e. Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

f. Accounting of Income

Revenue from services rendered is recognised when the services are performed and are recorded net of rebates and taxes.

g. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Foreign currency denominated assets and liabilities are translated into rupees at the exchange rate prevailing at the date of the Balance Sheet. All exchange differences are dealt with in the profit and loss account.

The Company uses derivative financial instruments to hedge its exposure to movement in foreign exchange rates. The use of these derivative financial instruments reduces the risk or cost to the Company. The Company follows Accounting Standard 30 - Financial Instruments: Recognition and Measurement ("AS 30"), to the extent the adoption does not conflict with existing mandatory Accounting Standards and other authoritative pronouncements, the Company Law and other regulatory requirements.

h. Employee Benefits

- i. Gratuity liability as at the balance sheet date are provided based on actuarial valuation done as per the Revised Accounting Standard 15 - Employee Benefits ("AS 15"). Gratuity liability is funded through group gratuity insurance scheme of Life Insurance Corporation of India.
- ii. Liability in respect of compensated absences is provided as per AS 15, for encashable leave and leave expected to be availed, which considers undiscounted value of the benefit expected to be paid/availed during the next one year.
- iii. Company's contributions to defined contribution scheme such as Provident Fund are charged to the Profit and Loss account on accrual basis.

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

j. Lease Rental

All Lease rentals are accounted for on accrual basis over the term of the lease and charged to profit and loss account under the straight line method.

k. Accounting for taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of the prudence in respect of the deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

3. Contingent Liabilities

Sr. No.	Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
1	Guarantees(including performance Bank guarantee) given by banks on behalf of the Company	54,143,126	22,145,013

4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs 56,676,324 (as at March 31, 2008 – Rs. 114,340,791)

5. Particulars of security provided against secured and unsecured loans:

- Term loans from finance companies are secured against charge on the fixed assets and corporate guarantee from the holding company.
- Term loan and working capital loan from bank is secured by negative lien on the assets of the Company and corporate guarantee from the holding company.
- Unsecured working capital loans from Banks are secured by corporate guarantee from the holding company.

6. Interest on Borrowings aggregating to Rs. NIL (PY Rs. 8,443,581) has been capitalised for the year ended March 31, 2009.

7. Defined Benefit Plan

Valuation in respect of gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on following assumptions:

	For Year ended March 31, 2009	For Year ended March 31, 2008
Discount rate per annum	7.75%	8.00%
Rate of return on plan assets	8.00%	8.00%
Attrition rate	95.00%	95.00%
Rate of increase in compensation levels	2.00%	2.00%
	Rupees	Rupees
Change in present value of obligation :		
Present value of obligation at beginning of the year	1,362,290	861,208
Interest cost	259,150	99,182
Current service cost	1,881,228	378,572
Past service cost	NIL	NIL
Benefits paid	(8276)	NIL
Actuarial (gain)/loss on obligations	(2,259,523)	23,328
Present value of obligation at end of the year	1,234,869	1,362,290
Changes in the fair value of plan assets :		
Present value of plan assets at beginning of year	846,841	780,499
Expected return on plan assets	101,000	62,440
Actuarial (gain)/loss on plan assets	(12,936)	3,902
Contributions	419,798	NIL
Benefits paid	(8276)	NIL
Fair value of plan assets at the end of the year	1,346,427	846,841

	For Year ended March 31, 2009 Rupees	For Year ended March 31, 2008 Rupees
Amount recognized in the Balance Sheet :		
Present value of the obligation at end of the year	1,234,869	1,362,290
Fair value of plan assets at the end of the year	1,346,427	846,841
Asset / (Liability) recognized in the Balance Sheet	111,558	(515,449)
Expenses recognized in Profit and Loss Account:		
Current service cost	1,881,228	378,572
Interest cost	259,150	99,182
Expected return on plan assets	(101,000)	(62,440)
Net actuarial gain/(loss) recognized in the year	(2,246,587)	19,426
Total expense / (gain) recognized in profit and loss account	(207,209)	434,740

8. Segment information:

The Company operates in a single business segment viz. Business Process Outsourcing in India. Accordingly, there are no reportable businesses or geographical segments as prescribed under Accounting Standard 17 "Segment Reporting".

9. Related party disclosure as required by Accounting Standard 18

a. List of the Related Parties:

	Name of the Related Party	Nature of relationship
i)	Blackstone GPV Capital Partners Mauritius V- B Limited #	Ultimate Holding Company
ii)	SKR BPO Services Private Limited #	Subsidiary of Ultimate Holding Company
iii)	Intelenet Global Services Private Limited	Holding Company
iv)	Tecnovate eSolutions Private Limited	Fellow Subsidiary Company

no transactions during the year.

b. Details of transactions with related parties in the ordinary course of business.

i. Details relating to Holding Company

Nature of transactions	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Loan taken	412,500,000	381,545,000
Loan repaid	485,000,000	287,000,000
Interest Expense on Loans taken (capitalised Rs. NIL, PY Rs. 2,882,184)	32,363,600	27,833,333
Deposit for Electricity Paid	1,634,940	NIL
Reimbursement of expenses		
– Expense on our behalf	74,625,182	43,568,593
– Expense incurred by us	43,829,032	68,569,863

Balance outstanding	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Receivable for service fee & expenses (net)	NIL	28,253,000
Deposit for Electricity Paid	1,634,940	NIL
Deposit for premises Received	6,000,000	6,000,000
Loan payable	284,545,000	357,045,000
ii. Details relating to Fellow Subsidiary Company		
Nature of transactions	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Loan taken	640,000,000	345,000,000
Interest Expense On Loans taken	51,066,849	3,193,612
Balance outstanding	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Loan payable	985,000,000	345,000,000

10. Particulars of Assets Acquired /given under lease

Operating Leases

The Company has taken various office premises under leave and licence agreements. These are generally cancellable and for period of upto 10 years and are renewable by mutual consent on mutually agreeable terms.

Particulars	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Operating Lease payments recognised in the statement of profit and loss during the year		
– Minimum lease payments	165,833,387	138,703,701
Total future minimum lease payments payable:		
– Not later than 1 year	75,951,579	43,112,063
– Later than 1 year but not later than 5 years	152,388,176	76,423,648
– Later than 5 years	–	–
Total of future minimum lease payments under operating lease	228,339,755	119,535,710
Operating Sub-lease Receipts recognised in the statement of profit and loss during the year	12,000,000	12,000,000

11. Earnings per share

Particulars	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Numerator used for calculating basic and diluted per share – Profit/ (Loss) for the year after taxation	(110,490,140)	2,927,729
Weighted average number of equity share	16,147,500	16,147,500
Face value per share	10	10
Earnings per share – Basic and diluted	(6.84)	0.18

12. Deferred tax balances

Particulars	As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Deferred Tax Liability		
Depreciation	97,441,900	90,342,652
Derivative Gain credited to opening balance of profit and loss account	3,109,577	–
Sub Total (A)	100,551,477	90,342,652
Deferred Tax Asset		
Provision for doubtful debts	(21,480,014)	(6,930,670)
Business losses and unabsorbed depreciation	(71,242,125)	(54,612,665)
Expense allowable for tax when paid	(849,750)	(14,297,126)
Provision for employee benefits	(3,529,404)	(1,472,473)
Preliminary Expenses amortised	(97,763)	(25,236)
Sub Total (B)	(97,199,056)	(77,338,169)
Net Deferred Tax Liability / (Assets) (A+ B)	3,352,421	13,004,483

13. Details of foreign currency loan hedged by a derivative instrument

Particulars		As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
Foreign currency Term Loan	Japanese Yen	788,969,617	1,183,454,426
	Indian Rupees	406,516,595	477,671,815

14. During the year, the company has early adopted the Accounting Standard - AS 30 “Financial Instrument: Recognition and Measurement”, to the extent the adoption does not conflict with existing mandatory Accounting Standards and other authoritative pronouncements, the Company Law and other regulatory requirements. In accordance with the transitional provision, the fair value gain of Rs. 6,038,927 (net of deferred tax) as at April 1, 2008, has been taken to opening balance of profit and loss account. The fair value gain of Rs. 38,360,967 for the year has been recognized in Profit & Loss Account.

15. Expenditure in foreign currency

Particulars	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Interest on foreign currency loan (includes amount capitalised)	56,543,554	26,454,440

16. As at the year-end there are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

17. The Company has due to Suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 as at 31.03.2009. The disclosure pursuant to the said Act is as under:

Particulars	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Principal amount due to suppliers under MSMED Act, 2006	1,337,065	NIL
Interest accrued and due under MSMED Act on the above amount , unpaid	NIL	NIL
Payment made to suppliers (other than interest) beyond the appointed day during the year	89,102	NIL
Interest paid to suppliers under MSMED Act (other than Section 15)	NIL	NIL
Interest paid to suppliers under MSMED Act (Section 15)	NIL	NIL
Interest due and payable toward suppliers under MSMED Act for payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as “Micro and Small” enterprises on the basis of information available with the company.

18. Auditor’s Remuneration (net of service tax)

Particulars	For year ended March 31, 2009 Rupees	For year ended March 31, 2008 Rupees
Statutory audit fees	1,300,000	1,100,000
Tax Audit	1,00,000	1,00,000
Out of Pocket reimbursement	18,672	7173
Total	1,418,672	1,207,173

19. In the opinion of the Board, current assets, loans and advances have a value of at least equal to the amounts shown in the balance sheet, if realised in the ordinary course of the business. The provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

20. The figures of the previous period have been regrouped, rearranged and reclassified wherever necessary to confirm to current period's classification.
-

Signature to Schedule 1 to 15

As per our Report of even date

For **Price Waterhouse**
Chartered Accountants

Vilas Y. Rane
Partner
Membership No. F-33220

Mumbai
Date: April 28, 2009

For and on behalf of the Board of Directors

Dipesh R. Singhania
Financial Controller

Sachin Raje
Chief Financial Officer

Amit Gupta
Company Secretary

Mumbai
Date: April 28, 2009

Susir Kumar M.
Chairman

Satish Mehta
Director

Conrad D'Souza
Director

SPARSH BPO SERVICES LIMITED

Note forming part of the Accounts

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No.	157255
State Code	11
Balance Sheet Date	31.03.2009

II. Capital raised during the Year [Amount in Rs. Thousands]

Public Issue	–	Bonus Issue	–
Rights Issue	–	Private Placement	–

III. Position of Mobilisation and Deployment of funds [Amount in Rs. Thousands]

Total Liabilities	2,034,258	Total Assets	2,034,258
Sources of funds		Application of funds	
Paid-up capital	161,475	Net Fixed Assets	1,424,530
Reserves and surplus	–	Deferred Tax Asset (net)	–
Secured loans	599,886	Investments	–
Unsecured loans	1,269,545	Net Current Assets	495,713
Deferred Tax Liability (net)	3,352	Miscellaneous Expenditure	–
		Accumulated Losses	114,015

IV. Performance of the Company [Amount in Rs. Thousands]

Turnover [including Other Income]	2,158,643
Total Expenditure	2,279,715
Profit / (Loss) before Tax	(121,072)
Profit / (Loss) after Tax	(110,490)
Earnings per Share (in Rs.)	(6.84)
Dividend rate %	Nil

V. Generic Names of Three Principal Products / Services of the Company

[as per monetary terms]:

Item code no. (ITC code)	N. A.
Product Description	Information Technology Enabled Services

For and on behalf of the Board of Directors

Dipesh R. Singhania
Financial Controller

Susir Kumar M.
Chairman

Sachin Rajee
Chief Financial Officer

Satish Mehta
Director

Amit Gupta
Company Secretary

Conrad D'Souza
Director

Mumbai
Date: April 28, 2009