

CHAIRMAN’S MESSAGE

“We are focussed on providing our customers with solutions that actually solve their business issues and assist their growth through innovative application of technology and information management in an easy-to-use manner”

– **Mr. Peeyush Aggarwal**

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BOARD OF DIRECTORS

MR. PEEYUSH AGGARWAL Chairman
MR. S.N SHARMA Director
MR. SUNIL KUMAR JAIN Director
MR. ADESH JAIN Director
MR. KARUN JAIN Executive Director
MR. MAN MOHAN GUPTA Additional Director

COMPANY SECRETARY

MS. NEERA CHANDAK

STATUTORY AUDITORS

M/s RMA & Associates
CHARTERED ACCOUNTANTS
201, AGCR Enclave,
Opp. Karkardooma Court,
Delhi – 110 092,
Ph. No. 011 46702241
Email: pankaj_chander@vsnl.net

REGISTERED & CORPORATE OFFICE

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Connaught Place
New Delhi-110001
Ph.: 011-47613300
Fax : 011-47613399
E-mail: info@viseshinfo.com
Website: www.viseshinfo.com

BRANCH OFFICES

BANGALORE

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E-Mail: bangalore@viseshinfo.com

MUMBAI

102, EMERALD ISLE, Taluka Andheri,
Aarey Milk Colony,
Goregaon (East) Mumbai – 400 065.
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GURGAON

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Hartron, Gurgaon (Haryana) 122 016
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KOLKATA

150, Jodhpur Park,
Kolkata-700 068
West Bengal

BANKERS

ALLAHABAD BANK
DBS BANK
BARCLAYS BANK
ICICI BANK

OVERSEAS OFFICES

Thailand

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Klongtoey, Bangkok, -10110
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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Company will be held on Wednesday, 29th day of September 2010 at 10:00 A.M. at the Auditorium, at Bipin Chandra Pal Memorial Trust, A-81, Chittranjan Park, New Delhi-110019 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the period ended as on that date and the report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Adesh Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** M/s RMA & Associates, Chartered Accountants, New Delhi, Company’s retiring Auditors, being eligible and offering themselves for reappointment, be and are hereby appointed as the Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

ITEM NO. 4: To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

“**RESOLVED THAT** Mr. Man Mohan Gupta who was appointed as an Additional Director of the company pursuant to the provision of the Section 260 of Companies Act, 1956, and hold office only upto the forthcoming Annual General Meeting and in respect of whom the company has received a notice from a member under the provision of Section 257 of Companies Act, 1956 proposing the candidature of Mr. Gupta for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation.”

Place: New Delhi
Dated: 01/09/2010

By the Order of the Board
Sd/-
Neera Chandak
(Company Secretary)

Explanatory Statement pursuant to section 173(2) of the Companies Act 1956 :

Mr. Man Mohan Gupta, aged 53 years is a Bachelor of Science. He is the promoter-director of Interworld Digital Limited. He has vast experience of more than 15 years in International Business. Mr. Gupta was involved in development of various products from the inception of idea stage and marketing them worldwide. He handled large quantities of photographic films manufactured by Kodak, Fuji and Konica. Mr. Man Mohan Gupta has more than 30 years of domain expertise in techno-commercial ventures including stints at M/S Ashford Lab. P. Ltd., a Bio-Science venture, M/S M M Commodities P. Ltd., a commodities trading Company. His MMG Foundation is providing opportunities to talented persons in the field of Animation, entertainment, advertising, IT, Music and education.

The Board of Directors of your company in its meeting held on 22nd July 2010 has appointed Mr. Man Mohan Gupta as Additional Director.

Your directors are of the view that company would immensely benefited by the expertise, and guidance of Mr. Manmohan Gupta and therefore recommend for approval, the resolution contained in Item No. 4 of this Notice convening Annual General Meeting,

None of the directors other than Mr. Manmohan Gupta is concerned with or interested in the passing of this resolution.

Your directors recommend passing of the proposed resolution.



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall. Attendance at the Annual General Meeting will not be allowed without the production of the "Attendance Slip" duly filed and signed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2010 to 29th September 2010 (both days inclusive).
4. Members desiring any information with regard to accounts and operations of the Company are requested to write to the Company atleast 10 days before the date of the meeting to enable the management to keep the information available at the meeting.
5. All members are requested to intimate any change of their address to the company/ our Registrar and Share Transfer Agent.
6. Members are requested to bring their own copy of Annual Report along with them.
7. Members are requested to intimate their e-Mail ID to the company for better communication in future and as part of effective Corporate Governance.

Place: New Delhi
Dated: 01/09/2010

By the Order of the Board
Sd/-
Neera Chandak
(Company Secretary)

Details of Directors Seeking Reappointment

Mr. Adesh Jain, aged 47 years, is a Bachelor of Commerce (Honours) and a Fellow Member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant with almost two decades of experience as a renowned consultant in the field of Taxation and Finance.



DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty First Annual Report of Visesh Infotecnics Limited together with the Audited Statement of Accounts of the Company, for the year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial Results of the Company for the period under review are as follows: -

(₹ in lacs)

PARTICULARS	2009-10	2008-09
Income from Operations	12,463.74	10,528.64
Other Income	41.42	157.01
Total Income	12,505.16	11,685.65
Total Expenditure	10,998.48	9,190.74
PBID & Tax	1,506.68	1,494.91
Interest	368.25	359.03
Depreciation	947.93	851.93
Profit before Tax	190.50	283.95
Provision for Taxation	29.00	44.50
Deferred Tax	35.55	59.29
Profit After Tax (PAT)	125.95	180.16
Profit b/f from previous year	3,863.30	3,616.81
Balance Carried to Balance Sheet	4,030.05	3,863.30
Paid up Equity Share Capital	4,258.22	3,629.22
Reserve & Surplus	10,981.75	10,815.00

RESULTS OF OPERATIONS

During the year under review the total revenue of the company from operations stood at ₹ 12463.74 lacs as against the previous year's revenue of ₹ 10528.64 Lacs. The total net profit for the fiscal year's ended March 2010 stood at ₹ 125.95 Lacs as against the previous year's total net profit of ₹ 180.16 Lacs.

DIVIDEND

Your company needs capital for its expansion and diversification plans therefore the Board has decided to plough back the profits achieved during the year under review into the operations of the company. Hence no dividend is recommended for the year ended 31 March 2010.

Management Discussion and Analysis

As per the Clause 49 of the Listing Agreement

INDUSTRY OVERVIEW

Year 2009-10 was the roller coaster ride for the IT industry. During the period companies faced plethora of challenges with uncertain business environment. However it was marked by extraordinary policy response to unprecedented global economic crisis. With the help of the policy support, the Global economy is now emerging from the crisis and GDP growth rates are starting to improve. The Indian economy after slowing down in 2008-09 is estimated to grow at 7.2 per cent in 2009-10 as compared to 6.7 per cent in 2008-09.



Industry performance and projections

However, due to the global economic slowdown, considerable reductions were experienced in IT service spends across categories as global corporations cut back on discretionary spends and focused on leveraging IT spends to drive organisation-wide efficiencies, business transformation and adoption of new business models. World-wide technology and related products and services spend is estimated to have crossed USD 1.5 trillion in 2009, a decline of 2.9% over 2008 as per NASSCOM Strategic Review 2010.

The economic downturn contributed to reductions in spending in the first half of 2009 and early signs of pick up in spending became visible in the second half of 2009. Companies had reduced IT spending either by delaying the decisions or by putting some discretionary spending on new IT projects on hold in the first half of 2009. This led to both pricing and volume pressures for IT service providers. In the second half of 2009 as economic growth showed signs of revival and driven primarily by the need to manage costs and increase operational efficiencies, as well as position themselves for the anticipated economic growth, many global corporations focused on (1) improvements in business processes (2) infrastructure consolidation (3) re-engineering (4) virtualization (5) workload management and (6) cutting down on cycle time and increasing speed to market.

Trends in IT Services Spending By Geography			
Geography (USD Billion)	2008	2013	CAGR (%)
Asia pacific	147	166	2.5
Europe	170	189	2.1
America	316	380	3.8
India	6	11	14.5
Middle East & Africa	14	16	3.2
Iberoamerica	44	57	5.6
United Kingdom	77	88	2.3
Grand Total	774	907	3.2

Source: Gartner Forecast: Worldwide IT spending, 2007-2013, October 2009

Industry Performance And Projections

Globally technology spending is expected to further increase once the global economic recovery process gathers speed and discretionary spending levels increase. Information technology (IT) has become an integral part of business operations across industries and is seen by organisations as a primary driver of productivity improvement and business transformation that lead to sustained competitive advantages in the market place. Some of the future expected drivers for IT spending are the anticipated levels of increased regulation especially in the Banking, Financial Services and Insurance (BFSI) space, security and reporting requirements, and new focus areas including green IT and mobility/ubiquity initiatives. Global technology spend is expected to increase from USD 1.6 trillion in 2008 to USD 1.9 trillion by 2013 at a Compounded Annual Growth Rate (CAGR) of 3.5%.

INDIAN IT INDUSTRY

For the Indian IT industry, the downturn in 2008-09 signalled the beginning of a new order and a paradigm shift in the way IT industry operates. The industry viewed this crisis as an opportunity, by not only exhibiting resilience but also sustaining its growth. The revenue aggregate of IT industry is expected to grow by over 5 per cent and reach US \$ 73.1 billion in 2009-10 as compared to US \$ 69.4 billion in 2008-09. The Indian software and services exports including ITeS-BPO exports is estimated at US \$ 49.7 billion in 2009-10, as compared to US \$ 47.1 billion in 2008-09, an increase of 5.5 per cent. The IT services exports is estimated to be US \$ 27.3 billion in 2009-10 as compared to US \$ 25.8 billion in 2008-09, showing a growth of 5.8 per cent.

According to a report prepared by McKinsey for NASSCOM called 'Perspective 2020: Transform Business, Transform India' released in May 2009, the exports component of the Indian industry is expected to reach



US\$ 175 billion in revenue by 2020. The domestic component will contribute US\$ 50 billion in revenue by 2020. Together, the export and domestic markets are likely to bring in US\$ 225 billion in revenue, as new opportunities emerge in areas such as public sector and healthcare and as geographies including Brazil, Russia, China and Japan opt for greater outsourcing.

According to NASSCOM, government IT spend was US\$ 3.2 billion in 2009 and is expected to reach US\$ 5.4 billion by 2011. Further, according to NASSCOM, there is US\$ 9 billion business opportunity in e-governance in India. Every downturn brings its own concerns but also with it, opportunities. With the growth rate being moderate this year, companies would now focus on building domain expertise, improving productivity and efficiency and finding ways and means of meeting increased customer expectations. As management teams work on this, employees need to get even more engaged, sharpen their own skills and help identify areas of improvement and value-add.

Given that globally, there are a large number of markets and verticals that are under penetrated, the opportunity and scope is still large. The Indian domestic market is also growing and offers a unique untapped opportunity. India's most prized resource in today's knowledge economy is its readily available technical work force. India has the second largest English-speaking scientific professionals in the world, second only to the U.S. It is estimated that India has over 4 million technical workers, over 1,832 educational institutions and polytechnics, which train more than 67,785 computer software professionals every year.

India's software and services industry has and will continue to remain in the driver's seat of the country's IT sector. India's success in the software arena is attributed to the software industry's knowledge and expertise in cutting edge technologies and skilled manpower base. Both these strengths are likely to contribute towards the industry's future growth. In fact, India's prowess in emerging technologies is also helping the software and services industry obtain new customers, even in the face of a debilitating U.S. economy slowdown. There is only one way that the Indian software industry is headed and that is up. The coming years will only reiterate this trend.

OPERATIONS & FUTURE OUTLOOK

When we entered the financial year, the demand environment was very uncertain. As a Company, our priority was to capture growth opportunities. To do this, we needed an organisation that was not only domain-intensive and customer centric but also agile, adaptable and accountable. Hence we have broadened our range of offerings in the realm of Information Technology and have focused more on domestic market and explored other dormant markets to fully utilize the capacity of the existing units through our network of marketing offices and alliances with other players.

The Company's Infrastructure Services Division "InfraServe has continued to record growth through its focus on design, deployment and maintenance of robust & reliable network architecture from global leaders in IT equipment and software. Its capabilities in remote management and network security have been amply demonstrated at several client sites across the Asia Pacific region. This division continues to pick big ticket business from several of our clients and is positioned in a major way in emerging areas of Wi-Fi, Wi-Max, RF, RFID etc.

As a leading system integration company we are uniquely positioned to benefit from the enhanced traction in the market place. Our track record of selling and servicing high-end IT products give us an additional edge in undertaking setting up of Greenfield IT infrastructure and then maintaining it over its life cycle.

Company's division Transxs, offering Mobile Telematics products and services to various organizations. The uniqueness of the offering which combines GPS & SCADA inputs over GPRS/ GSM networks on GIS map servers has fired the imagination of organizations with large fleets and mobile assets in India and overseas alike.

Outsourcing the development, management and ongoing maintenance of technology platforms and solutions has become increasingly important. Corporations are increasingly turning to offshore technology service providers to meet their need for high quality, cost competitive technology solutions. As a result, offshore technology service providers have become mainstream in the industry and continue to grow in recognition and sophistication.



The effective use of offshore technology services offers a variety of benefits, including lower total cost of ownership of IT infrastructure, lower labour costs, improved quality and innovation, faster delivery of technology solutions and more flexibility in scheduling.

Visesh has ventured into the business of Smart Card Technology after assessing the vast scope of ID cards, GSM SIM cards and smart cards in India. Currently smart card comes in two forms, contact and contact-less. The hallmark of company's solutions is cost effectiveness. Your company is certified & complies with the regulatory requirements of SCOSTA as laid down by National Informatics Centre, Government of India. The Smart Card OS is engineered for compliance to ISO 7816 standards.

Further, Visesh is now planning to enter into telecom business which would include dealing in mobile handsets, its accessories, parts etc.

MERGERS & ACQUISITIONS

During the year under review company initiated the process of merger of Positive Comsol Private Limited with the company. Positive Comsol Private Limited is engaged in the business of providing mobile marketing solutions for corporate use and commercial solutions to attract mobile consumers. The creditors as well as the members of the company have approved the proposed scheme of merger in the duly held court convened meetings. The company has filed a Petition for the approval of merger before the Hon'ble High Court of Delhi at New Delhi.

OPPORTUNITIES, THREATS, RISKS & CONCERNS:

India has emerged as the fastest growing IT market in the world, driven on the increased IT adoption by the domestic market along with the increased exports. Despite all odds, Indian IT industry fortunately knows how to beat recession and stay afloat amidst crisis. For, at a time when countries are reeling under the pressure of global recession, India has managed to emerge as the highest exporter of information communication technology (ICT) services in the world.

To sustain competitive advantage in an industry characterized by intense competition, expanding boundaries, changing trends, short life cycle products, complex global supply chains and high customer churn, retailers need to leverage technology and create winning strategies.

As long as we embrace new technologies, new business models, new paradigms and leverage the power of these to bring benefits to our consumers, we believe we would have endless opportunities to grow.

The orientation of quality, methodology and technology of Indian companies is yet another important reason why India has been able to grow from strength to strength in this industry. In particular, the concept of project management is something that has been extremely well practised in the Indian software industry. The value proposition of our company can be summed up as "faster, better, and cheaper." Indian software companies have also been very proactive in accepting, embracing, and practising state of the art methodologies and processes; in investing heavily in tools, technology, and infrastructure; in reducing time to market as well as cost; and in improving quality, productivity, and response time.

Major challenges: The domestic demand for business process services has increased greatly over the last couple of years and has been driving the overall Indian ITeS-BPO industry revenue with the support of burgeoning economic activities. Over the past few years, there has been a spate in outsourcing of business activities within the country, which have spelt out ample opportunities for the Indian ITeS-BPO companies that were focusing on the international markets until then. However, the changing business and economic scenario coupled with increased competition are forcing companies to look beyond traditional markets. Today, there are plenty of small and medium sized companies that provide a wide range of services after taking a cue from their peers, adding another dimension in the country's sunrise sector.

The economic meltdown, importantly, has resulted in pricing pressure, as the clients are witnessing cost pressures due to low growth projects. Nonetheless, with concerted efforts and innovative approach, the IT companies, which are operating in the domestic market, can tackle these challenges: Four major challenges as pointed out by NASSCOM in its report are infrastructure, employability, competition from other low-cost nations and lack of favorable policy. At the one hand industry is emerging from recession and on the other it is expected



to bear the burden of incurring huge expenditures to offer training for the new entrants in order to ensure employability. To make matter worse, there is lack of equitable distribution of financial assistance and planned growth across the country.

One of the major challenges for the Indian information technology industry was to keep maintaining its excellent performance standards. Competition from other cost-effective countries, including those from Eastern Europe, Philippines and China has started to cast its shadow on India's IT sector in terms of lost business opportunities, as over the years, the operational cost of IT and ITes companies in the country has witnessed stiff rise, which reflect in higher product/service prices.

On the other side the financial crisis in the US and the Europe has affected the overall IT spending of majority companies. It is important to highlight that exports constitute over 86% of overall industry revenue and therefore, any crisis in the international market in general, and the US in particular, will have a large impact on the sector.

Road ahead: The slowdown has dried up volumes of the companies, which in turn has affected the profitability; therefore, the companies are taking innovative initiatives to improve their bottom line and also to open up delivery centres in non-metros, that is, tier II, III and even smaller cities/towns, which help them to survive at the current juncture. These cities are offering good infrastructure facilities and skilled manpower at a much lower price. However, the governments should also step into the system by creating robust eco-system through public-private partnership by investing in developing employable human resource, and adequate infrastructure facilities to cater to the domestic market as well as the international market. In addition, companies are also looking for mergers and acquisitions in high-end analytical space to offer superior knowledge-based solutions to their global clients.

The current contraction in overall growth is one of the most severe crises ever since the one witnessed during World War II. The sub prime-triggered crisis in the US during end of 2007 gradually spread across other parts of the world; as fallout of this crisis, credit availability dropped sharply in advanced economies and their GDP growth contracted incessantly during the last quarter of 2008. It is clearly evident that recession has taken a toll on overall growth of the sector. For instance, during FY04 to FY08, the sector registered an average growth of around 39%, while in FY09, the growth declined sharply to 18.2%. Consequently, the BPO export revenue also recorded a much lower growth of 17.5% during FY09 as compared with an average annual growth rate of 37% between FY04 to FY08.

However, the economic slowdown has opened up opportunities for the Indian ITeS-BPO companies, as it is expected that the global companies would adopt outsourcing as an initiative to reduce cost. The Indian companies have to be proactive to grab the opportunities and should venture into newer markets, verticals and service line. Besides, the Indian ITeS-BPO companies should further explore domestic market, which offers immense opportunities.

Further the recession, which has marked a pause in the growth of the company, can be considered as a blessing in disguise to the company as it offers the scope to think, priorities, re-evaluate and re-align the policies and work patterns. Never mind the slowdown, company has all the ingredients to come out stronger and better.

The Indian IT-ITES industry is again gaining momentum. However, growth comes with its own set of challenges for the Company, a few of which are enumerated as a SWOT analysis on the Company in the following paragraphs:

The diversity of service offerings of the Company to different industry verticals gives it a balanced business model that does away with the risks typically associated with a single product company. Further the Company's ability to design & manage secure and robust networks has created a strong IT infrastructure within the Company, that provides clients with the security and reliability they need to outsource their critical business data and processes. Increased focus on cost reduction and optimizing operations at all levels creating greater opportunities for the company's offerings is another major strength. The Company enjoys high Brand visibility and recall in domestic markets.



Global IT service and consulting companies are expanding operations in India, thereby posing a constant threat to the Company's established supremacy in the ERP segment. Increased competitive pressures are resulting in wage inflation due to the intense competition for skilled human resources as well as pricing pressures due to heightened competition from global and Indian IT companies in the Indian market. The growth plans of the Company are dependent on the availability of external funds, delays in which might affect its proposed expansion plans and go-to-market strategies. An uncertainty on account of global socio-economic environment is also a matter of concern.

The crisis in financial sector led to lower confidence in financial markets leading to a global credit crunch which may affect company's operations. High costs of creating Intellectual Property and developing software products with a constant threat of technology obsolescence that software product companies globally are exposed to be one of the major concern. To cater to increasing customer demand for consultants with strong technology and domain knowledge, the Company will have to invest increasingly higher amount in equipment, facilities and training of its personnel, who could subsequently be lured away by competitors.

In order to address the threat of attrition of skilled personnel the company has been rapidly creating global size and scale and using best-in-class human resources policies to attract and retain talent.

The Company is investing in creating new competencies in emerging areas and continues to create different business models to address changing requirements. This results in alliances, strategic investments and joint ventures. The Company is putting consistent efforts on research and development activities. In order to excel at new operations and activities VIL stress is on continuous innovation and research, based on market requirements and customer expectations.

We intend to continue to grow our business by enhancing our existing relationship and increasing the scope of engagements with our clients by providing tangible business value to our customers. We believe our capability to provide comprehensive range of products and services enables us to deepen our relationships with existing clients

SEGMENT WISE PERFORMANCE

The company is mainly operating in three segments:

IT Solutions & Product Support.

Enterprise Software.

IT enabled Services.

Segment wise revenues are provided in Notes to Accounts forming part of Annual Report.

INTERNAL CONTROL SYSTEM

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. The audit committee reviews the adequacy of internal control system from time to time.

The details of the Audit Committee constituted under the provisions of section 292A of the Companies Act, 1956 and the Listing Agreement have been provided in the Corporate Governance Report.

BOARD OF DIRECTORS

Mr. Adesh Jain, Director, is liable to retire by rotation and being eligible offers himself for re-appointment. The Board has also received Form DD-A pursuant to the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming that he is not disqualified under section 274(1)(g) of the Companies Act, 1956. Your Board recommends his re-appointment.



Mr. Man Mohan Gupta is an Independent Director. He has been appointed as an additional Director of the company on 22.07.2010. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received notice under Section 257 of the Act, proposing his appointment as Director of the Company. Resolution seeking approval of the Members for the appointment of Mr. Man Mohan Gupta as Director of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details about him.

Mr. Sanjiv Bhavnani, ceased to be the MD & CEO as well as director of the company and Mr. Rajinder Singh ceased to be the Directors of the Company under section 283 of the Companies Act 1956 w.e.f 2nd September 2009.

PREFERENTIAL ISSUE

In terms of the resolution passed under section 81 (1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on 29.06.2009, the Board had allotted 68,00,000 convertible warrants with an option to convert such warrants into equal number of equity shares of ₹ 10 each at a price of ₹10 per warrant, in the Board meeting held on 19.08.2009 on preferential basis. Out of the total warrants so issued 6300000 warrants (3500000 warrants allotted to Mr. Peeyush Aggarwal and 2800000 warrants allotted to Pataliputra International Limited) were converted into equal number of equity shares on 18.03.2010 and the balance 500000 warrants held with Mr. Peeyush Aggarwal converted into equal number of equity shares on 17.04.2010.

Further the Board of Directors in its meeting held on 03.08.2010 decided to issue 22 Crores Convertible warrants to Promoter and Non Promoter Group. For the purpose of seeking approval of the members of the company under section 81(1A) of the Companies Act, 1956, Extra Ordinary General meeting of the Company is scheduled to be held on 03.09.2010.

GDR ISSUE

The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09 Banco Efisa wrongly adjusted an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law, against Banco Efisa and other conniving accused, for siphoning of GDR funds, which were lying in the company's account maintained with Banco Efisa, and is pending investigation before DIAP, in Portugal. Based on the legal opinion from barristers, senior advocates and financial experts in India, London and Portugal, who are of the view that your company should pursue this case strongly; in addition to the criminal case, your company is also planning to initiate civil action at various forums."

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The registered office of the company has been shifted from 8E, Vandana Building, 11 Tolstoy Marg, Connaught Place, New Delhi-110001 to 508, Arunachal Building, 19 Barakhamba Road, New Delhi-110001, w.e.f. 30th June 2010.

APPOINTMENT OF STATUTORY AUDITORS

M/s RMA & Associates, Chartered Accountants, Delhi, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to be re-appointed which, if made will be in accordance with section 224 (1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

AUDITORS REPORT

In respect of the Auditors' Report, relevant notes forming part of the accounts and referred therein are self – explanatory.



HUMAN RESOURCE AND DEVELOPMENT

To keep ourselves abreast with time and technology we believe in creating teams of competent and committed people across all business functions and levels. We consider the quality of our human resources to be our most important asset and fosters an environment that encourages and values diversity and promotes personal and professional development of employees. We believe that a satisfied employee can actually be the differentiating factor in the struggle to gain market share, to deliver customer delight, to innovate product and services and, ultimately, to deliver a better bottom line. The focused approach towards organizational structuring enabled us to establish clearer communication channels and responsibility centers throughout the organization.

The company administers a comprehensive human resources management system which includes attracting, developing, and retaining a highly qualified, continuously learning workforce. We promote thought, stimulate discussion, diagnose the organizational environment and develop a sound human resource management strategy for our organization by providing continuous learning opportunities and training to our associates.

Your company is privileged to have the right blend of professionals both in field of technical & other professional areas. Dedication, a positive attitude, skills and professionalism have always been the feature of our workforce at all levels of organization.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing company objectives, projections, estimates may be 'forward looking statements' within the meaning of the applicable security laws and regulations.

Actual results could differ materially from those expressed or implied, depending upon economic conditions, changes in Government regulations and policies, demand, supply and price conditions, political and economic developments within and outside the country and various incidental factors.

The company assumes no responsibility to publicly amend, modify, or revise any forward looking statements, on the basis of any subsequent developments, information or events.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good corporate governance. A detailed report on Corporate Governance and the certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are attached and form part of this Annual Report.

PUBLIC DEPOSITS

Your Company has no fixed deposits. Further it has neither accepted nor renewed any fixed Deposits during the year under review.

PARTICULARS OF EMPLOYEES

There is no employee who is in receipt of remuneration aggregating to the sum prescribed under section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Our operations are not energy intensive. However due care is taken to reduce energy consumption by using energy efficient equipments. As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material.

The company has not imported any technology during the year under review.



RESEARCH & DEVELOPMENT

Your company is committed to achieve customer delight through cost effective and customer centric quality I.T.solutions that are innovative and continuously upgraded in keeping with emerging technology trends by a motivated workforce that includes R and D group, on time: all the time; resulting in maximizing stake holder's value. Company's research is focused on enhancing outcomes that customers expect from IT as well as in Business. The company is carrying on R and D in multiple forms, but all of these are focused on better productivity through continuous improvement in processes, systems methodologies and capabilities. The company has been exerting itself in expanding the existing frameworks to incorporate evolving specifications and standards.

The Company is putting consistent efforts on research and development activities. In order to excel at new operations and activities. VIL stress is on continuous innovation and research, based on market requirements and customer expectations. Your Company leverages its excellence in leading-edge solutions provider to continually enhance itself to additional complexity on account of technology growth & change.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

(₹ In Lacs)

	Year ended 31.03.10	Year ended 31.03.09
Foreign exchange earnings	284.79	NIL
Foreign exchange Outgo	58.86	76.09

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- In the preparation of annual accounts, the applicable accounting policies and standards have been followed;
- The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March, 2010 and of the profit and loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- These annual accounts have been prepared on a 'going concern basis'.

ACKNOWLEDGEMENT

The Board records its appreciation for the continued assistance and cooperation which the Company has received from its bankers, customers, vendors, government organizations, staff and employees. The Board also appreciates the confidence reposed by the shareholders in the Company and its management.

For and on Behalf of the Board of Directors

Place: New Delhi
Date: 01/09/2010

Sd/-
Peeyush Aggarwal
Chairman



ANNEXURE “A” TO THE DIRECTORS’ REPORT

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes that good corporate governance practices should be enshrined in all activities of the company. This would ensure efficient conduct of the affairs of the company and help the company to achieve its goal of maximizing value for all its stakeholders. The company will continue to focus its resources, strengths and strategies to achieve its vision, of becoming a truly global software company, while upholding the core values of transparency, integrity, honesty, and accountability, which are fundamental to the Visesh. The company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreement with the Stock Exchange.

BOARD OF DIRECTORS

The composition of Board of Directors is in conformity with clause 49 of the Listing Agreement entered with the Stock exchanges in which the Company’s shares are listed. The Company is managed and controlled through a professional Board of Directors comprising of an optimum combination of Executive and Non-Executive Independent Directors. The present strength of the Board of Directors is six (6), out of which five (5) members are Non-Executive Directors. Your company has Non-Executive Chairman, Mr. Peeyush Aggarwal.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees as specified in clause 49. Necessary disclosures regarding Committee positions have been made by the Directors.

The name and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Memberships held by them during the year are given below. Other Directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship/ membership of the Board Committees includes membership of Audit, and Shareholders/ Investors Grievance Committees.

STATEMENT SHOWING THE COMPOSITION OF BOARD AND OTHER STATUTORY & RELAVANT INFORMATION

S. No	Name of Director	Positions	Category	Attendance		No. of Directorships in other public companies	No. of Committee positions held in other public companies	
				Board Meeting	Last AGM		As Chairman	As Member
1.	Sh. Peeyush Aggarwal DIN 00090423	Chairman	Promoter & Non-Executive	14	Yes	5	-	4
2.	Sh. S.N Sharma DIN 00336736	Director	Non-Executive & Independent	8	Yes	4	3	3
3.	Sh. Adesh Jain DIN 00366638	Director	Non- Executive & Independent	12	Yes	1	1	1
4.	Sh. Sunil Jain DIN 00010695	Director	Non- Executive & Independent	10	No	3	-	2
5.	Sh. Karun Jain DIN 00077035	Executive Director	Promoter & Executive	14	Yes	1	-	-
6.	Sh. Man Mohan Gupta DIN 00161861	Additional Director	Non- Executive & Independent	0	No	1	-	2

Mr. Man Mohan Gupta has been appointed as an Additional Director of the company on 22.07.2010

Mr Sanjiv Bhavnani ceased to be the Managing Director & CEO as well as director of the company and Mr. Rajinder Singh ceased to be the Director of the company under section 283 (1)(g) of the Companies Act w.e.f 02.09.2009.

The non-executive Directors have no material pecuniary relationship or transaction vis-à-vis the Company in their personal capacity during the year.



BOARD MEETINGS

14 Board meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

April 30, 2009, May 18, 2009, May 30, 2009, July 1, 2009, July 31, 2009, August 19 2009, August 28, 2009, September 2 2009, October 26, 2009, October 30, 2009, November 11, 2009, December 30, 2009, January 28, 2010, March 18, 2010.

COMMITTEES OF BOARD OF DIRECTORS

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the listing Agreements with the Stock Exchanges read with section 292A of the Companies Act, 1956. The committee is headed by an Independent Director.

The terms of reference of the Audit Committee are broadly as under:

- Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including quarterly/ half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing the company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.

COMPOSITION

The Audit Committee of the Company comprises of the following:

Mr. Adesh Jain	Chairman
Mr. Peeyush Aggarwal	Member
Mr. S. N. Sharma	Member
Mr. Karun Jain	Member
Ms. Neera Chandak	Secretary

During the year the Committee met on 30-04-2009, 31-07-2009, 02-09-2009, 30-10-2009, and 28-01-2010.

The necessary quorum was present at all the meetings.

B. REMUNERATION/ COMPENSATION COMMITTEE:

The broad terms of reference of the Remuneration Committee are as under:

- ❖ To approve the Annual Remuneration Plan of the Company.
- ❖ To approve Remuneration and commission/ incentive remuneration payable to the Managing Director / Executive Director for each financial year.
- ❖ Such other matter as the Board may from time to time request the Remuneration Committee to examine and recommend/ approve.

The Remuneration Committee comprises of the following members:

Mr. Adesh Jain	Chairman
Mr. Peeyush Aggarwal	Member
Mr. S. N. Sharma	Member



The Remuneration of the Executive Director has been approved by the Shareholders. The Company has paid Rs 851065/- (Eight Lac Fifty One Thousand and Sixty Five Only) to Mr. Karun Jain, Executive Director during the year under review.

C. SHARE TRANSFER COMMITTEE:

In compliance with provisions of clause 49 of the Listing Agreement, the Company has a duly constituted Share Transfer Committee. Meetings of the Committee held at regular interval with regard to the volume of transfer requests received by the company. During the period, committee met 24 (Twenty Four) times.

Share Transfer committee comprises of Mr. Peeyush Aggarwal, Chairman, Mr. Adesh Jain Mr. Karun Jain and Mrs Neera Chandak, Members.

D. INVESTOR GRIEVANCES COMMITTEE

Investor Grievances Committee comprises of following members:

Mr. Peeyush Aggarwal	Chairman
Mr. Adesh Jain	Member
Mr. Karun Jain	Member
Mrs. Neera Chandak	Member

During the year under review 5 complaints were received by the Company from the shareholders. The same was addressed promptly and redressed to the satisfaction of the shareholders. Generally, the types of Investors Complaints/requests received by the company are for demat, issue of duplicate share certificate, transfer of shares, change of address etc.

DETAILS OF GENERAL BODY MEETING

ANNUAL GENERAL MEETINGS FOR THE LAST THREE YEARS

Date	Location	Time	No of Special Resolutions passed
29-09-2009	Auditorium, Bipin Chandra Pal Memorial Trust, A-81, Chittranjan Park, New Delhi-110019	10.00 A.M.	0
30-09-2008	Auditorium, Bipin Chandra Pal Memorial Trust, A-81, Chittranjan Park, New Delhi-110019	10.00 A.M.	0
28-09-2007	3 rd Floor, Chandiwala Estate (gate No. II) Maa Anadmai Ashram Marg, Kalkaji, New Delhi-110019	09.30 A.M.	0

DISCLOSURES

- There are no materially significant related party transactions of the company, which have potential conflict with the interest of the company at large.
- Company has fulfilled all statutory compliances and there were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital markets during the last three years.
- The Company has complied with all the mandatory requirements of Corporate Governance, as required under the Listing Agreement.



MEANS OF COMMUNICATION

The quarterly, half-yearly, and annual results of the company are regularly published in one widely circulated English newspaper and one in Hindi Newspaper. The said results are also promptly forwarded to the stock exchanges where the shares of the company are listed as per the listing agreement. Further the said results are also uploaded on company's website www.viseshinfo.com. The website also displays all official news releases issued by the company from time to time.

The notice of AGM along with Annual Report is sent to the shareholders well in advance of the AGM. The gist of the notice is also published in newspapers. In addition, the Stock Exchanges are notified of any important developments that may materially affect the working of the company. Disclosure with regard to the shareholding pattern, change in major shareholding, quarterly secretarial audit reports etc. are also sent to the Stock Exchanges as required under various Regulations.

A Management's Discussion and Analysis forms part of this Annual Report.

CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management personnel of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

CEO/CFO CERTIFICATION

A Certificate from the Executive Director and Head (F & A) on the financial statement of the Company was placed and considered by the Board.



GENERAL SHAREHOLDER INFORMATION

I. DATE, TIME, VENUE OF ANNUAL GENERAL MEETING FOR THE YEAR 2008-09:

29th September 2010 at 10.00 A.M. at Auditorium, Bipin Chandra Pal Memorial Trust, A-81, Chittranjan Park, New Delhi-110019.

II. FINANCIAL YEAR

Financial year	: 1 st April to 31 st March
Financial year (during period under review)	: 1 st April 2009 to 31 st March 2010
First Quarter	: 1 st April to 30 th June
Second Quarter	: 1 st July to 30 th September
Third Quarter	: 1 st October to 31 st December
Fourth Quarter	: 1 st January to 31 st March

III. REGISTRAR & SHARE TRANSFER AGENTS (RTA's)

Name	Address	Contact
Mas Services Ltd.	T-34, IInd Floor, Okhla Industrial Area, Phase-II New Delhi-110020	Tel no. : 011-26387281-83 Fax : 011- 26387384 e-Mail : info@massery.com

IV. LISTING OF SHARES/GDRs

Shares/GDRs of the company are listed on following stock exchanges:

Name	Address	Stock Code
National Stock Exchange of India Ltd.	Exchange Plaza, Bandra, Kurla Complex, Bandra (E), Mumbai-400051	VIRESHINFO
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001	532411
Singapore Exchange Securities Trading Limited	2 Shenton Way, NO. 19-00 SGX, Centre 1, Singapore-068804	033312989 (Common Code)

V. WITH EFFECT FROM 28th AUGUST, 2000 THE SHARES OF VISESH INFOTECNICS LIMITED ARE TRADED IN DE-MAT FORM ONLY AT:

National Securities Depository Ltd. } Code No. for Vishesh shares:
Central Depository Services (I) Ltd. } INE861A01017

The GDRs of the company admitted on official list of Singapore Stock Exchange on 26th December 2007

ISIN Code for Vishesh GDRs US92829H1086

VI. BOOK CLOSURE

PERIOD		PURPOSE
FROM	TO	
25 th September 2010	29 th September 2010	ANNUAL GENERAL MEETING

VII. INVESTOR SERVICE CELL ADDRESS FOR CORRESPONDENCE

Address 508, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi-110001
Telephone 91-11-47613300
Fax 91-11-47613399
e-Mail info@viseshinfo.com



VIII. COMPLIANCE OFFICER

Ms. Neera Chandak, Company Secretary.

IX STOCK MARKET DATA

The monthly high and low quotations and volume of shares traded at National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) are as follows:

A. National Stock Exchange of India Ltd.

Financial Year	National Stock Exchange of India Limited		
April 2009 to March 2010	High	Low	No. of shares traded
April 2009	5.50	3.15	7,30,592
May 2009	9.55	4.45	8,43,628
June 2009	10.10	6.80	6,32,383
July 2009	8.30	5.90	4,82,294
August 2009	9.90	7.20	9,07,087
September 2009	11.05	7.50	17,63,523
October 2009	11.00	8.30	16,90,532
November 2009	10.10	7.10	7,24,054
December 2009	10.20	7.20	22,22,762
January 2010	10.00	6.65	51,79,106
February 2010	7.75	5.85	15,67,053
March 2010	7.05	5.20	6,42,107

B. Bombay Stock Exchange Ltd.

Financial Year	Bombay Stock Exchange Ltd.		
April 2009 to March 2010	High	Low	No. of shares traded
April 2009	5.60	2.60	5,71,552
May 2009	9.58	4.35	6,82,666
June 2009	10.01	6.75	4,23,537
July 2009	8.50	5.80	3,62,452
August 2009	9.99	7.21	5,99,842
September 2009	11.06	7.54	10,66,445
October 2009	10.99	8.23	12,36,468
November 2009	10.25	7.41	6,55,586
December 2009	10.10	7.52	16,37,633
January 2010	10.00	6.66	46,70,809
February 2010	7.85	5.90	12,42,411
March 2010	7.00	5.25	5,74,577



X. Dematerialization of Shares:

Pursuant to an agreement with the NSDL and CDSL the shareholders have the option to dematerialize their shares with either of the depositories. Equity shares of the company are actively traded at National Stock Exchange & Bombay Stock Exchange.

Status of issued capital as on 31st March 2010:

Total issued capital (no. of shares)	% of total capital	
Demat Form	3,59,27,578	84.37
Physical Form	66,54,596	15.63
TOTAL	4,25,82,174	100.00

XI. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010:

SHARE HOLDING OF NOMINAL VALUE OF Rs.	NO. OF SHAREHOLDERS	%TO TOTAL	AMOUNT IN ₹	% OF TOTAL
Upto 5000	13,793	75.335	25,325,760	7.02
5,001-10,000	2,073	11.322	17,882,330	4.45
10,001-20,000	1,098	5.997	17,497,490	3.90
20,001-30,000	407	2.223	10,644,810	2.57
30,001-40,000	197	1.076	7,272,430	1.65
40,001-50,000	197	1.076	9,380,630	2.03
50,001-1,00,000	288	1.573	21,305,150	4.60
1,00,001 and above	256	1.398	316,513,140	73.78
TOTAL	18,309	100.00	425,821,740	100.00

XII. SHAREHOLDING PATTERN AS ON 31ST MARCH 2010:

CATEGORY	NO.OF SHARES	%OF TOTAL
A. Promoters (including directors, relatives, associates)	11,920,039	27.993
B. Non-Promoter holding		
Banks, FI's, Mutual Funds, Insurance Companies (central/state govt. institutions/non govt. institutions)	4,250	0.010
a. Private corporate bodies	6,891,611	16.184
b. Indian public	15,470,610	36.331
c. NRI's/OCB's	575,226	1.351
d. Foreign Investor	6,489,524	15.24
e. Foreign Institutional Investor	1,30,000	0.305
f. Clearing member	1,100,914	2.585
TOTAL	42,582,174	100.000



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Visesh Infotecnics Ltd.

We have examined the compliance of conditions of Corporate Governance by Visesh Infotecnics Ltd. for the financial year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

We state that as per the report given by the Registrars of the Company to the Investors Grievances Committee, as on March 31, 2010, there were no investor grievance matters against the Company remaining unattended/ pending for more than 30 days.

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

For RMA & Associates
Chartered Accountants
Sd/-
Pankaj Chander
Partner
Membership No. 089065

Place: New Delhi
Date : 01st September 2010

Confirmation of compliance of Code of Conduct and Ethics

I declare that all Board Members and Senior Management have individually affirmed compliance with the code of business conduct and ethics adopted by the company during the year 2009-10. This code of conduct is available on the company's website.

Place : New Delhi
Date : 01st September 2010

Sd/-
Peeyush Aggarwal
Chairman



AUDITORS' REPORT

The Members,

Visesh Infotecnics Limited

1. We have audited the attached Balance Sheet of Visesh Infotecnics Limited as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto. 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 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 (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' 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, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Attention is invited to note no. 12 of Schedule XVIII of the financial statement consequential effect of adjustment of fund by Banco Efisa, Lisbon, Portugal has not been taken in the books of accounts, resulting there of and in our opinion bank balance of the company is overstated by USD 8,883,210.75 (Rs. 350,977,439/- as valued on 31.03.2010)
5. 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 such books;
 - (c) The Balance Sheet, Profit & Loss account the and the 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 the cash flow statement dealt with by this report complies with the mandatory accounting standards referred to in section 211(3C) of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as at 31.03.2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) Subject to para 4, 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 Companies Act, 1956 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 2010; and
 - (ii) in the case of the profit & loss account, of the profit for the year ended on that date; and
 - (iii) in the case of the cash flow statement, of the cash flow for the year ended on that date.

Place : New Delhi
Dated : 1st September 2010

for M/s. RMA & Associates
Chartered Accountants
Firm Registration No. 000978N
Sd/-
Pankaj Chander
Partner
M. No. 089065



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of **M/s. Visesh Infotecnics Limited**)

- i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) These fixed assets have been physically verified at reasonable intervals by the management and no material discrepancy was noticed on such verification.
 - c) The company has not disposed off substantial part of its fixed assets during the year.
- ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The procedures of physical verification of inventory followed by the management are reasonable & adequate in relation to the size of the company and the nature of its business. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory and discrepancies noticed on physical verification as compared to books of account were not material.
- iii) a) The company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b) The company has not taken unsecured loan from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b) As certified by the management, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provision of the Act.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- ix) a) According to records of the company examined by us and information and explanations given to us, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it have been regularly deposited by the company with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no dues of sales tax / custom duty / service tax / wealth tax / excise duty / cess which have not been deposited on account of any dispute. Dues of Income-tax Rs. 5,104,827/- related to A.Y 2005-06 against this Rs. 4,000,000/- deposit under protest with Income-tax authorities & Rs. 1,245,589/- related to A.Y 2006-07. In the both cases appeals of the company are pending before Commissioner of Income-tax (Appeals), Bangalore.



- x) There are no accumulated losses at the end of the financial year. Accordingly clause 4(x) of the order is not applicable.
- xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any bank. The Company has not issue any debentures, during the year.
- xii) According to information and explanations given to us, the company has not granted any loan or advance against the security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4 (xiii) of the Order is not applicable.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) In our opinion, the short term loan was applied for the purpose for which the said short term loan was obtained.
- xvii) According to the information and explanations given to us, short term funds raised by the company have not been used for long term investments.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) The company has not issued debentures during the period covered by our audit.
- xx) The company has not raised money by way of public issues during the period covered by our audit.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit except as per para no. 12 of Schedule XVIII of the financial statement.

Place : New Delhi
Dated : 1st September 2010

for M/s. RMA & Associates
Chartered Accountants
Firm Registration No. 000978N
Sd/-
Pankaj Chander
Partner
M. No. 089065



BALANCE SHEET AS AT 31st MARCH, 2010

Amount in ₹

PARTICULARS	SCHEDULE	AS AT	
		31.03.2010	AS AT 31.03.2009
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	I	425,821,740	362,821,740
Convertible Warrants [Refer Note No. 8(3)]		5,000,000	-
Share Application Money		127,885,000	55,675,000
Reserves & Surplus	II	1,098,175,146	1,081,500,013
LOAN FUNDS			
Secured Loans	III	193,842,889	248,433,591
Unsecured Loans	IV	5,365,936	5,365,936
Deferred Tax Liability		127,712,809	124,157,608
Total		<u>1,983,803,520</u>	<u>1,877,953,888</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	V	965,726,187	863,165,202
Less: Depreciation		353,587,350	261,042,469
Net Block		<u>612,138,837</u>	<u>602,122,733</u>
Capital Work in Progress		608,121,641	567,621,641
		1,220,260,478	1,169,744,374
INVESTMENTS			
	VI	4,154,658	4,154,658
CURRENT ASSETS, LOANS AND ADVANCES			
Stock-in-Hand	VII	1,018,768	2,544,114
Sundry Debtors	VIII	594,509,902	421,072,526
Cash and Bank Balances	IX	376,178,835	358,839,977
Loans and Advances	X	43,832,370	67,278,298
TOTAL CURRENT ASSETS (A)		<u>1,015,539,875</u>	<u>849,734,915</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
	XI		
Current Liabilities		243,736,555	93,822,842
Provisions		12,414,937	51,969,350
TOTAL CURRENT LIABILITIES (B)		<u>256,151,492</u>	<u>145,792,192</u>
NET CURRENT ASSETS (A-B)		759,388,383	703,942,723
MISCELLANEOUS EXPENDITURE	XII	-	112,133
(To the extent not written off or adjusted)			
Total		<u>1,983,803,520</u>	<u>1,877,953,888</u>
Significant Accounting Policies	XVII		
Notes to the Accounts	XVIII		
AS PER SEPARATE REPORT OF EVEN DATE ATTACHED			
For M/s. RMA & Associates			
Chartered Accountants			
Firm Registration No. 000978N			
FOR & ON BEHALF OF THE BOARD			

Sd/-
PANKAJ CHANDER
PARTNER
M. No. 089065

Sd/-
PEEYUSH AGGARWAL
CHAIRMAN

Sd/-
KARUN JAIN
EXECUTIVE DIRECTOR

Sd/-
NEERA CHANDAK
COMPANY SECRETARY

Place : New Delhi
Dated : 01st September 2010



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Amount in ₹

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
INCOME			
Income from Operations		1,246,374,131	1,052,864,309
Other Income	XIII	4,141,548	15,701,123
Increase/(Decrease) in Stock		(1,525,346)	(3,326,750)
Total		1,248,990,332	1,065,238,682
EXPENDITURE			
Purchase of Goods & Services		1,069,989,971	879,514,124
Employees Remuneration and Benefits	XIV	15,558,922	14,408,080
Administrative, Selling and other Expenses	XV	12,661,423	21,567,571
Financial Charges	XVI	36,824,907	35,902,790
Depreciation/Amortisation		94,792,653	85,192,809
Miscellaneous Expenses written off		112,133	258,460
Total		1,229,940,009	1,036,843,834
Profit for the year before Tax		19,050,323	28,394,848
Less:			
Provision for			
-Income Tax		2,900,000	4,300,000
-FBT		-	150,000
-Deferred Tax		3,555,201	5,929,011
Profit for the year after Taxation		12,595,122	18,015,837
Prior Period Adjustments		149,331	7,186,916
Income Tax for Earlier Years		3,930,680	(553,508)
		16,675,133	24,649,245
Add :			
Profit brought forward from previous year		386,330,533	361,681,288
Amount Available for Appropriations		403,005,666	386,330,533
APPROPRIATIONS			
Balance carried to Balance Sheet		403,005,666	386,330,533
Total		403,005,666	386,330,533
Earning per share - Basic/Diluted		0.39	0.68

Significant Accounting Policies
Notes to the Accounts

AS PER SEPARATE REPORT
OF EVEN DATE ATTACHED

For M/s. RMA & Associates
Chartered Accountants
Firm Registration No. 000978N

FOR & ON BEHALF OF THE BOARD

Sd/-
PANKAJ CHANDER
PARTNER
M. No. 089065

Sd/-
PEEYUSH AGGARWAL
CHAIRMAN

Sd/-
KARUN JAIN
EXECUTIVE DIRECTOR

Sd/-
NEERA CHANDAK
COMPANY SECRETARY

Place : New Delhi
Dated : 01st September 2010



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31-03-2010

PARTICULARS	Amount in ₹	
	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'I' - SHARE CAPITAL		
Authorised		
50,000,000 Equity Shares of ₹ 10/- each (Previous Year 50,000,000 Equity Shares of ₹ 10/-each)	<u>500,000,000</u>	<u>500,000,000</u>
Issued, Subscribed and Paid up		
[42,582,174 (36,282,174) Equity Shares of ₹ 10/- each includes 9,309,524 Equity Shares consequent to Issue of 4654762 GDR vide Information Memorandum dated December 4, 2007]	<u>425,821,740</u>	<u>362,821,740</u>
	<u>425,821,740</u>	<u>362,821,740</u>
SCHEDULE 'II' - RESERVES & SURPLUS		
Capital Reserve		
As per Last Balance Sheet	33,180,000	2,500,000
Add: Amount Forefeited of Share Application money	-	30,680,000
	<u>33,180,000</u>	<u>33,180,000</u>
Share Premium Account		
As per Last Balance Sheet	616,415,006	616,415,006
	<u>616,415,006</u>	<u>616,415,006</u>
General Reserve		
As per Last Balance Sheet	45,574,474	45,574,474
	<u>45,574,474</u>	<u>45,574,474</u>
Profit and Loss Account		
	403,005,666	386,330,533
	<u>1,098,175,146</u>	<u>1,081,500,013</u>
SCHEDULE 'III' - SECURED LOAN		
Working Capital Loan from Allahabad Bank	65,814,725	72,072,923
Other Banks	126,541,164	174,873,668
Other Institutions	1,487,000	1,487,000
	<u>193,842,889</u>	<u>248,433,591</u>
SCHEDULE 'IV' - UNSECURED LOAN		
Loan from Others	5,365,936	5,365,936
	<u>5,365,936</u>	<u>5,365,936</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31-03-2010

Schedule 'V' - Fixed Assets

Amount in ₹

Description of Assets	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 01.04.2009	Additions during the Year	Adjustments/Sales during the year	Total As at 31.03.2010	As at 01.04.2009	For the year during the year	Sales/Adjustments during the year	Total As at 31.03.2010	W.D.V. as at 31.03.2010	W.D.V. as at 31.03.2009
A. Tangible										
Building	20,682,581	-	-	20,682,581	1,956,078	337,126	-	2,293,204	18,389,377	18,726,503
Plant & Machinery										
- Computers and Peripherals	19,145,732	328,645	2,277,785	17,197,592	7,294,098	2,768,866	2,247,772	7,815,192	9,382,400	11,852,634
-Office Equipments	9,300,373	-	-	9,300,373	2,540,797	441,768	-	2,982,565	6,317,808	6,759,576
Vehicles	2,819,083	-	-	2,819,083	1,336,372	267,813	-	1,604,185	1,214,898	1,482,711
Furniture & Fixtures	16,216,145	10,125	-	16,226,270	7,740,778	1,027,051	-	8,767,829	7,458,441	8,475,367
Sub Total (A)	68,164,914	338,770	2,277,785	66,225,899	20,868,123	4,842,624	2,247,772	23,462,975	42,762,924	47,296,791
B. Intangible										
Goodwill	2,800,000	-	-	2,800,000	1,960,000	280,000	-	2,240,000	560,000	840,000
Software & Intellectual Property Rights	792,200,288	104,500,000	-	896,700,288	238,214,346	89,670,029	-	327,884,375	568,815,913	553,985,942
Sub Total (B)	795,000,288	104,500,000	-	899,500,288	240,174,346	89,950,029	-	330,124,375	569,375,913	554,825,942
Total (A+B)	863,165,202	104,838,770	2,277,785	985,726,187	261,042,469	94,792,653	2,247,772	353,587,350	612,138,837	602,122,733
Capital Work in Progress (including Advances on Capital Account)	567,621,641	145,000,000	104,500,000	608,121,641	-	-	-	-	608,121,641	567,621,641
GRANDTOTAL	1,430,786,843	249,838,770	106,777,785	1,573,847,828	261,042,469	94,792,653	2,247,772	353,587,350	1,220,260,478	1,169,744,374
Previous Year	1,308,161,189	180,283,069	57,657,415	1,430,786,843	238,732,111	85,192,809	62,892,451	261,042,469	1,169,744,374	1,069,429,078



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31-03-2010

PARTICULARS	Amount in ₹	
	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'VI' - INVESTMENTS		
TRADE INVESTMENT		
LONG TERM, UNQUOTED (AT COST)		
Opentech Thai Network Specialists Ltd. (OTNS)	4,154,658	4,154,658
62,595 (62,595) Equity Shares of THB 100/- each fully paid up		
	<u>4,154,658</u>	<u>4,154,658</u>
SCHEDULE 'VII' - STOCK IN HAND		
Finished Goods	1,018,768	2,544,114
	<u>1,018,768</u>	<u>2,544,114</u>
CURRENT ASSETS, LOANS & ADVANCES		
SCHEDULE 'VIII' - SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months	39,354,265	34,013,189
Others	555,155,637	387,059,337
	<u>594,509,902</u>	<u>421,072,526</u>
SCHEDULE 'IX' - CASH AND BANK BALANCES		
Cash in Hand	287,583	282,790
Balance with Scheduled Banks		
- in Current Accounts	20,531,897	751,833
- in EEFC Account	14,750	14,750
- in Fixed Deposit Account (pledged with Banks & Government Departments)	4,367,165	6,813,165
Balance with Non Scheduled Banks		
Banco Efisa	350,977,439	350,977,439
	<u>376,178,835</u>	<u>358,839,977</u>
SCHEDULE 'X' - LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Security Deposit	1,290,647	1,288,876
Prepaid Expenses	6,610,392	8,178,196
Amount with Income Tax Authorities	15,670,896	33,818,361
Deposit with Court (Refer Note No. 2)	1,858,671	1,858,671
Staff Advances & Other Imprest	710,911	626,519
Other Advances	17,690,853	21,507,675
	<u>43,832,370</u>	<u>67,278,298</u>



PARTICULARS	Amount in ₹	
	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'XI' - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	228,324,027	72,798,104
Other Liabilities	4,388,932	6,245,566
Advance From Customers	10,682,849	14,438,075
Dividend Payable	340,747	341,097
A)	<u>243,736,555</u>	<u>93,822,842</u>
PROVISIONS		
For Income Tax	10,522,488	49,786,925
For Fringe Benefit Tax	150,000	150,000
For Leave Encashment	784,747	946,665
For Gratuity	957,702	1,085,760
B)	<u>12,414,937</u>	<u>51,969,50</u>
(A+B)	<u>256,151,492</u>	<u>145,792,192</u>
SCHEDULE 'XII' - MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	26,975	200,275
Less: Written Off during the year	<u>26,975</u>	<u>173,300</u>
		26,975
Merger Expenses	85,158	170,318
Less: Written Off during the year	<u>85,158</u>	<u>85,160</u>
		85,158
		<u>112,133</u>
SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010		
PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
SCHEDULE 'XIII' - OTHER INCOME		
Interest received	433,147	13,976,982
[Tax deducted at source ₹ 45,294.06 (Previous Year ₹ 64,913/-)]		
Miscellaneous Income	3,708,401	906,721
Profit on Sale of Assets	-	817,420
	<u>4,141,548</u>	<u>15,701,123</u>
SCHEDULE 'XIV'- EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Benefits and Allowances	14,638,300	13,961,572
Employer's Contribution to ESI & PF	52,304	99,173
Staff Welfare	868,318	347,335
	<u>15,558,922</u>	<u>14,408,080</u>



Amount in ₹

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
SCHEDULE 'XV' – ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Conveyance Expenses	369,463	317,587
Electricity & Water Expenses	1,363,457	682,376
Rent, Rates And Taxes	2,423,357	4,063,674
Communication Expenses	698,511	1,324,326
AGM / Board Meeting Expenses	203,047	78,594
Repair and Maintenance	1,018,641	1,344,134
Travelling Expenses - Directors	71,350	405,233
Travelling Expenses - Others	388,050	120,552
Keyman Insurance	-	1,327,809
Advertisement Expenses	60,680	63,446
Auditor's Remuneration	165,450	165,450
Entertainment Expenses	30,854	65,484
Security Charge Expenses	165,809	173,578
Exchange Rate Fluctuation Expenses	566,218	161,134
News Paper Books & Periodicals Exps.	7,027	11,168
Insurance Expenses	155,329	225,071
Legal & Professional Expenses	1,578,537	1,347,696
Loss on Sale of Assets	24,725	-
Membership & Subscription Fees	20,983	41,854
Printing & Stationery Expenses	157,758	191,509
Miscellaneous Expenses	152,854	205,323
Vehicle Running & Maintenance Expenses	182,832	273,740
Lease Rent on Capital Goods	1,872,828	8,051,373
Transport Expenses For Employees	919,228	876,239
Freight & Cartage Expenses	64,436	50,221
	<u>12,661,423</u>	<u>21,567,571</u>
SCHEDULE 'XVI' - FINANCIAL CHARGES		
Bank Interest & Charges	36,787,561	35,392,975
Interest on Hire Purchase	29,740	105,478
Interest to Others	7,606	404,337
	<u>36,824,907</u>	<u>35,902,790</u>



SCHEDULE 'XVII'

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements have been prepared under the Historical cost convention on accrual basis, in accordance with applicable accounting standards and the provisions of the Companies Act, 1956.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles (GAAP).

2. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires that the management makes estimates and assumptions that effect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reported year. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenue from

- (i) Fixed Price Software Contracts are recognised principally on the basis of completed Milestones as specified in the contracts.
- (ii) Software Development and Services are recognized on Time Basis as per terms of specified contracts.
- (iii) Sale of Software/Hardware products is recognised on the dispatch of Goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.
- (iv) Income from annual maintenance contracts, web hosting and domain registration are accounted for in the Ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received.
- (v) Interest Income is recognised on time proportion basis

4. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, insurance, duties, installation expenses and all incidental expenses incurred for bringing the assets to the working condition required for their intended use.

5. INTANGIBLE ASSETS

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprises and the cost of the asset can be measured reliably. Internally generated intangible asset arising from development activity are recognized only on demonstration of its technical feasibility, the intention and ability of the company to complete, use or sell it. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation.

6. DEPRECIATION

- a) Tangible Assets: Depreciation on tangible fixed assets is provided on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) Intangible Assets: Softwares & Intellectual Property Rights, Copyrights and Goodwill are being amortised on straight line basis over a period of 10 years, considering the useful life of assets & their obsolescence.



7. IMPAIRMENT OF ASSETS

All assets other than Inventories, Investments and deferred tax assets, are reviewed for impairment at each balance sheet date, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

8. INVESTMENTS

Investments are Long term in nature and are stated at cost. Any decline other than temporary, in the value of such investments is charged to the profit & loss account.

9. INVENTORIES

Inventories of finished goods are valued at lower of cost (determined on the basis of first in first out method) or net realizable value.

10. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at a rate, which approximates the exchange rate prevailing on the date of the transaction. Current Assets and liabilities denominated in foreign currencies are translated at the rate of exchange as at the Balance Sheet date. Any income or loss on account of exchange difference is recognized in the Profit & Loss Account.

The operations of the foreign branch of the company are integral to the operations of the company. Financial statements of the branch are translated using the same principles & procedures as of Head Office.

11. TAXATION

Income tax is accounted for in accordance with Accounting Standard 22 "Accounting for taxes on Income" as issued by the Institute of the Chartered Accountants of India. Tax expenses comprise both Current and Deferred Tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable Income and Accounting Income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date, the Company reassesses the un-recognised Deferred tax Assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be.

12. CONTINGENT LIABILITIES

Contingent liabilities are not provided for in the books of account and are disclosed separately by way of notes to accounts.

13. RETIREMENT BENEFITS

- a) Contribution to the Provident Fund and Employees State Insurance is deposited in accordance with the provisions of the relevant acts and is charged to Profit and Loss Account.
- b) Provision for Gratuity has been made and is charged to Profit & Loss Account.
- c) Leave encashment and other retirement benefits are charged to revenue on accrual basis.

14. MISCELLANEOUS EXPENDITURE

- a) Merger expenses are being written off over a period of five years
- b) Other miscellaneous expenses have been written off on the basis as provided under section 35D of the Income Tax Act, 1961, as amended from time to time.



15. EARNING PER SHARE

The earnings considered in accounting the company's Earning Per Share ("EPS") comprises the Net Profit after tax. The number of shares used in computing Basic & Diluted EPS is the weighted average no. of equity shares outstanding during the year.

16. CASH FLOW STATEMENT

The Cash Flow Statement has been prepared under the indirect method as set out in the (AS-3), "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

17. OPERATING LEASES

Assets taken on Lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as Operating Leases. Lease payments under Operating Leases are recognized as expenses as incurred in accordance with the respective Lease Agreements.



SCHEDULE 'XVIII'

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

- 1) Contingent Liabilities not provided for:-
- Bank Guarantees outstanding ₹ 275,000/- (₹ 292,587/-).
 - Letter of Credits issued by Bank ₹ 7,594,932/- (₹ 58,864,946/-).
 - The Company has received notices u/s 156 of Income Tax Act, for the Assessment Year 2005-06 for a demand of ₹ 5,104,827/- against which the Company has already paid a sum of ₹ 4,000,000/- and for the Assessment Year 2006-07 for a demand of ₹ 1,245,589/-. Further the Company has filed appeals before Commissioner of Income Tax (Appeals), Bangalore against these demands. Management is of the opinion that these demands are not sustainable. Accordingly no provision has been made for the same.
- 2) There was a dispute between Mr. P.R. Sheshadri, sole proprietor of Visesh Technologies and Pro Data Distribution Pte Ltd., Singapore in which M/s Pro Data Distribution Pte Ltd. Singapore made Visesh Infosystems Limited a party to the dispute and filed a case against the company and Mr. P.R. Sheshadri, Proprietor of Visesh Technologies. Hon'ble High Court of Karnataka has passed an adverse order against the Company on 17.10.2001. On the request of the Company, the Hon'ble High Court of Karnataka has recalled the order. The Company has deposited a sum of ₹ 1,858,671/- with Hon'ble High Court of Karnataka against the same. The High Court dismissed the petition in view of non presence of petitioners on the date of hearing on 13.12.2007. The Company now has been advised to proceed in the matter for refund of the said amount deposited with the Court.
- 3) Expenditure in Foreign Currency :
- | | |
|-----------------------------|-------------------------------|
| Foreign Travel Expenses | ₹ 377,518/- (₹ NIL) |
| Purchases | ₹ 5,508,002/- (₹ 7,221,023/-) |
| Administrative & Other Exp. | ₹ NIL (₹ 308,458/-) |
- 4) Earning in Foreign Exchange include sale of software and services ₹ 28,478,755/- (₹ NIL)
- 5) Managerial Remuneration under section 198 of the Companies Act, 1956.
Salaries, Benefits & Allowances ₹ 851,065/- (₹ 1,532,194/-)
- 6) Balances of Sundry Debtors, Sundry Creditors, Current Liabilities, Loans and Advances are subject to confirmation.
- 7) Prior year adjustment's amounting to ₹ 1,49,331/- (₹ 71,86,916/-) includes ₹ 300,499/- (₹ 667,746/-) towards Service Tax input credit of earlier years, Services given in the earlier year of ₹ 1,66,377/- (₹ NIL) not realised and ₹ 15,208/- (₹ NIL) towards Interest on FDRs provided excess in the earlier years, impact of above has been provided in the current year.
- 8) i) a) Out of the Issued, Subscribed & Paid up Capital, the following shares were allotted for consideration other than cash : 871,700 Equity Shares were allotted as fully paid up bonus shares in the ratio of 1:1 shares held on 28.06.1998 by capitalization of reserves; b) 2,283,300 Equity Shares were allotted as fully paid up bonus shares in the ratio of 1:2 shares held on 11.08.1999 by capitalization of reserves; c) 2,700,000 Equity Shares were allotted as fully paid up equity shares pursuant to a swapping contract on 26.09.2001; d) 2,225,000 Equity Shares were allotted as fully paid up equity shares pursuant to a business acquisition contract on 25.07.2002; e) 11,047,650 Equity Shares were allotted as fully paid up to the shareholders of erstwhile MPS Technosoft Ltd. pursuant to scheme of amalgamation as sanctioned by Hon'ble High Court of Delhi vide its order dated 10.05.2005;
- ii) 9,309,524 Equity Shares were allotted against 4,654,762 Global Depository Receipts at US\$ 2.148 each representing two equity shares of ₹ 10/- each against each GDR.
- iii) During the year, the Company had allotted 6,800,000 convertible warrants with an option to convert such warrants into equal number of equity shares of ₹ 10/- each at a price of ₹ 10/- per warrant, on preferential basis. Out of the total warrants so issued 6,300,000 warrants were converted into equal number of equity shares.



- 9 a) Working Capital Loan from Allahabad Bank, DBS Bank and Barclays bank are secured against mortgage of certain immovable property of the company, Hypothecation of Stock & Book Debts and other movable assets of the Company, Personal Guarantee of certain Directors namely Mr. Peeyush Aggarwal, Mr. Karun Jain and body corporates and others namely Infotecnics India Ltd., Omkam Developers Pvt. Ltd and Peeyush Aggarwal (HUF).
- b) Loans from other banks includes Loans from (i) DBS Bank Ltd. ₹ 77,090,782 (₹ 99,638,834/-) ii) Barclays Bank ₹ 49,375,000/- (₹ 75,000,000/-) iii) Kotak Mahindra Prime Ltd. ₹ 75,382/- (₹ 234,834/-)
- c) Loan from other institution includes loan from LIC ₹ 14,87,000/- (₹ 1,487,000/-)
- 10) The funds received by the Company from GDR issue during the F. Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09 Banco Efisa wrongly adjusted an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit. The Legal experts have advised that the company has strong case and very good chance of recovery. On the advice of the legal experts, the company had filed complaint under Portuguese Laws and investigations are pending before DIAP. The Company is also planning to initiate cases under civil as well as criminal laws before various forums/authorities. No interest has been credited in the Company account after 5th December 2008 and the company has also not provided for interest subsequent to this date. No impact of Bank adjustments has been provided in the books of accounts in view of legal opinion. Due to the dispute the company has not provided exchange fluctuation gain/(loss) on the balance with Banco Efisa as on 31st March 2010.
- 11) In the opinion of the Board, the realisable value of Current Assets, Loans and Advances, in the ordinary course of business, would not be less than the amount at which these are stated in the Balance Sheet and provision for all known liabilities have been made.

12) Operating Lease:

During the earlier year the company had taken certain Equipments on Operating Lease for IT Enabled services.

Particulars	2009-10 Amount in ₹	2008-09 Amount in ₹
Lease payments recognized in the Statement of Profit & Loss A/c for the year	1,872,828/-	8,051,373/-
Future Minimum Lease Payments under Non-Cancelable Operating Lease Due not later than one year	NIL	15,85,248/-
Due Later than one year and not later than five year	NIL	NIL
Due later than five years	NIL	NIL

13) Deferred Tax

Breakup of the deferred tax assets / liabilities is as under :

Amount in (₹)

Particulars	31 st March, 2010	31 st March, 2009
i) Deferred tax liability : Related to Fixed Assets	127,712,809	124,223,503
ii) Deferred tax Assets : Provision for Gratuity & Leaving Encashment	-	(65,895)
Others	-	-
Net Deferred tax Liability/ (Assets)	127,712,809	124,157,608



14) Payments to Auditors

Audit Fee for

- Statutory Audit ₹ 165,450/- (₹ 165,450/-)

15) Earning Per Share (EPS)	Current Year (₹)	Previous Year (₹)
A) Net Profit before Tax	19,050,323	28,394,848
Less: Provision for Tax	6,455,201	10,379,011
Add : Prior Period Items	4,080,011	6,633,408
B) Profit/(Loss) attributable to the equity shareholders	16,675,133	24,649,245
C) Weighted average no of equity shares Outstanding during the period	42,582,174	36,282,174
D) Nominal value of shares	10.00	10.00
E) Basic/Diluted Earning per share based on 'C'	0.39	0.68
F) Total No(s). of Equity Shares at year end	42,582,174	36,282,174
G) Basic/Diluted EPS based on 'F'	0.39	0.68

16). The Company has entered into contracts with companies for upgradation of ERP & Development / upgradation of other products. The amount spent on the same is pending capitalization under the head "Capital Work In Progress".

17) Additional information pursuant to the provisions of Para 4, 4A, 4C and 4D of part-II of Schedule VI to the Companies Act, 1956 to the extent applicable are given below;

Particulars		Opening Stock	Purchases	Sales	Closing Stock
SOFTWARE	Quantity (Nos.)	31 (36)	NIL (22)	13 (27)	18 (31)
	Value (₹)	188,975 (498,376)	NIL (331,007)	151,050 (322,728)	52,464 (188,975)
HARDWARE & PERIPHERALS	Quantity (Nos.)	245 (546)	319,505 (36,808)	319,611 (37,109)	139 (245)
	Value (₹)	2,355,139 (5,372,488)	1,047,340,433 (673,026,808)	1,052,948,178 (677,745,392)	966,304 (2,355,139)
TOTAL	Quantity (Nos.)	276 (582)	319,505 (36,830)	319,624 (37,136)	157 (276)
	Value (₹)	2,544,114 (5,870,864)	1,047,340,433 (673,357,815)	1,053,099,228 (678,068,120)	1,018,768 (2,544,114)

18) As required by the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 and as per the information available with the company, no amount is due to Micro, Small and Medium Enterprises as at 31st March, 2010.



19) **SEGMENT REPORTING**

(₹ in Lacs)

Particulars	I T Solution & Product Support	Enterprise Software	I T Enabled Services	Total
Segment Revenue	11805.26 (9,768.11)	284.85 (217.78)	373.63 (542.75)	12463.74 (10,528.64)
Profit Before Tax & Interest	1,391.94 (1,134.67)	64.47 (57.02)	72.12 (163.74)	1528.53 (1,355.43)
Less Interest	- -	- -	- -	368.25 (359.02)
Less un-allocable expenditure	- -	- -	- -	986.11 (842.88)
Add: Other Income & Increase in Stock	- -	- -	- -	16.33 (130.42)
Profit Before Tax & Prior Period Items	- -	- -	- -	190.50 (283.95)
Less: Tax Expenses	-	-	-	64.55 (103.79)
Add : Prior Period Items	- -	- -	- -	40.79 (66.33)
Profit After Tax	- -	- -	- -	166.75 (246.49)

Note: Primary segmentation has been done according to the nature of products and services. The Company's operations predominantly relate to the following segments:

- a) I T Solutions & Product Support
- b) Enterprise Software
- c) I T Enabled Services

There is no Inter-divisional or inter-segmental transfer of Goods.

Since fixed assets used in the company's business cannot be specifically identified with any of the reportable segments as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.

The company caters mainly to the domestic market and the Export turnover is not significant in the context of the total turnover. As such, there are no Geographical Segments.

20) **Related Party Disclosures :**

Related Party Disclosures as per Accounting Standard 18 "Related Party Disclosures"

A. List of related parties with whom the Company has transacted:

a Key Managerial Personnel

1. Mr. Peeyush Aggarwal
2. Mr. Karun Jain

b Parties in which the Key Managerial Personnel or the relatives of the Key Managerial Personnel are Interested

1. Omkam Communication Pvt. Ltd., 2. Omkam Global Capital Pvt. Ltd., 3. Positive Comsol Pvt. Ltd., 4. Omkam Securities Pvt. Ltd..



Amt in ₹

Sr. No.	Nature of Transactions	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
1	Sale of Goods	NIL (NIL)	294,048,318 (84,694,852)	294,048,318 (84,694,852)
2	Purchase of Goods	NIL (NIL)	87,068,674 (135,051,329)	87,068,674 (135,051,329)
3	Remuneration	851,065 (1,532,194)	NIL (NIL)	851,065 (1,532,194)
4	Share Application Money received	NIL (NIL)	81,885,000 (NIL)	81,885,000 (NIL)

Outstanding Balances with related parties

Particulars	Receivables As at 31.03.2010	Payables As at 31.03.2010	Receivables As at 31.03.2009	Payables As at 31.03.2009
Associate Companies & Joint Ventures	NIL	NIL	NIL	8,890,819
Parties in which Key Managerial Personnel of the Company are Interested	193,588,484	NIL	52,012,049	NIL

* Related party relationship is as identified by the Company and relied upon by the Auditors

- 21) Figures have been rounded off to the nearest rupee.
- 22) Figures in brackets represent the previous year.
- 23) Previous year figures have been regrouped / rearranged wherever considered necessary to correspond with current year figures.

AS PER SEPARATE REPORT
OF EVEN DATE ATTACHED
For M/s. RMA & Associates
Chartered Accountants
Firm Registration No. 000978N

FOR & ON BEHALF OF THE BOARD

Sd/-
PANKAJ CHANDER
PARTNER
M. No. 089065

Sd/-
PEEYUSH AGGARWAL
CHAIRMAN

Sd/-
KARUN JAIN
EXECUTIVE DIRECTOR

Sd/-
NEERA CHANDAK
COMPANY SECRETARY

Place : New Delhi
Dated : 01st September 2010



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

₹ in Lacs

I Registration Details

Registration No.	131190			State Code	55
Balance Sheet Date	31	03	2010		
	Date	Month	Year		

II Capital raised During the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private issue	NIL
Preferential Issue	630		

III Position of Mobilisation and Deployment of Funds

Total Liabilities	19838.04	Total Assets	19838.04
Source of Fund			
Paid-Up Capital	4258.22	Convertible Warrants	50.00
Reserves & Surplus	10981.75	Share Application Money	1278.85
Deferred Tax Liability	1277.13	Secured Loan	1938.43
		Unsecured Loan	53.66
Application of Funds			
Net Fixed Assets	12202.60	Investment	41.55
Net Current Assets	7593.88	Miscellaneous Expenditure	0.00

IV Performance of Company

Turnover	12489.90	Total Expenditure	12299.40
Profit /Loss Before Tax	190.50	Profit /Loss After Tax	166.75
Earning Per Share (In Rs.)	0.39		

V Generic Names of Three Principal Product/Services of the Company (as per monetary term)

Item Code No. (ITC Code)	N.A.	N.A.	N.A.
Product Description	IT Solutions & Products Support	Enterprise Software	IT Enabled Services

AS PER SEPARATE REPORT
OF EVEN DATE ATTACHED
For M/s. RMA & Associates
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EXECUTIVE DIRECTOR

Sd/-
NEERA CHANDAK
COMPANY SECRETARY

Place : New Delhi
Dated : 01st September 2010



CASH FLOW STATEMENT FOR THE PERIOD FROM 1st April, 2009 to 31st March, 2010

₹ in Lacs

PARTICULARS	AS AT 31-03-2010	AS AT 31-03-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	190.50	283.95
Adjustment for :		
Depreciation and Amortisation	947.92	851.92
Misc. Expenses Written off	1.12	2.58
Income Tax	10.31	(49.82)
Interest & Other Costs	368.25	359.03
Interest Received	(4.33)	(139.77)
Operating Profit Before Working Capital Changes	1,513.77	1,307.89
(Increase)/Decrease in Current Assets	(1,484.65)	(363.30)
Increase/(Decrease) in Current Liabilities & Provisions	1,103.59	88.99
Net Cash from Operating Activities (A)	1,132.71	1,760.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Advances on capital Account	(1,451.59)	(1,783.43)
Interest Received	4.33	139.77
Net Cash Outflow in Investing Activities (B)	(1,447.26)	(1,643.66)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	630.00	-
Issue of Convertible Warrants	50.00	-
Share Application Money Received	722.10	(129.25)
Increase / (Decrease) in Secured Loan	(545.91)	438.57
Increase / (Decrease) in Unsecured Loan	-	(31.34)
Interest Paid	(368.25)	(359.03)
Net Cash Inflow from Financing Activities (C)	487.94	(81.05)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	173.39	35.47
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL, 2009	3,588.40	3,552.93
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2010	3,761.79	3,588.40

AS PER SEPARATE REPORT
OF EVEN DATE ATTACHED
For M/s. RMA & Associates
Chartered Accountants
Firm Registration No. 000978N

FOR & ON BEHALF OF THE BOARD

Sd/-
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