Annual Report
2010-2011

ORG INFORMATICS LIMITED

(An ISO 9001 : 2008 Company)

BOARD OF DIRECTORS

Mr. B.V. Suryakumar
Managing Director

Mrs. Binu Mehta
Independent Director

Mr. R.L. Dube
Independent Director

Mr. Ketan K. Adhvaryu
Independent Director

Auditors
M/s Sorab S. Engineer & Co.,
Chartered Accountants
ISMILE Building, 381,
Dr.D. Naoroji Road,
Fort, Mumbai-400 001,

Regd. Office:
3rd Floor, "Abhishek",
Akshar Chowk,
Old Padra Road,
Vadodara 390 020.

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Schedules

GoGreen

Supporting to MCA's green initiative in Corporat governence, Members of the company are hereby requested to register / update their email addresses by sending their details with e-mail address to gogreen@orgltd.com.

ORG Informatics Limited

Regd. Office: 3rd Floor, "Abhishek", Akshar Chowk, Old Padra Road, Vadodara 390 020.

Notice

Notice is hereby given to shareholders to call adjourned Thirty fifth Annual General Meeting of the Company on Tuesday the 1st day of November, 2011 at 11.00 A.M. at Vanijya Bhavan, Race Course, Vadodara to transact the following business, which was not transacted in the Annual General Meeting held on 30th September, 2011 due to non availability of Audited financial statements:

Ordinary business:

Item 1

To receive, consider and adopt the Audited Profit and Loss Account for the year ended on March 31st, 2011 and the Balance Sheet of the Company as of that date together with Reports of the Board of Directors and Auditors thereon.

By Order of the Board of Directors,

Place: Vadodara — Vinod Negi
Date :05th October, 2011, — Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. Shareholders holding the shares in Electronic form are requested to bring their Client ID and DPID at the meeting for easy identification.
3. *The Ministry of Corporate Affairs (MCA) vide Circular No. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to share documents with its Shareholders through electronic mode. Therefore, Members of the Company are requested to support this "Green Initiative in Corporate Governance" of MCA by Registering/Updating their e-mail addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the M/s MAS Services Limited, New Delhi, the Registrar & Share Transfer Agent (RTA) of the Company. The details of RTA are annexed herein after.*

Inspection of Documents

All the documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during the business hours on all working days (except Saturdays) till the date of meeting.

By order of the Board of Directors,

Place : Vadodara — Vinod Negi
Date :05th October, 2011, — Company Secretary

Directors' Report

To the Members,

Your Directors submits the Annual Report of the Company along with the Audited Statement of Accounts for the financial year ended on 31.3.2011.

1. Financial Results

The Financial Results of the Company on Consolidated basis are summarized hereunder :-

Particulars	**2010-11 TRs.**	**2009-10 TRs.**
Income	1,657,929	2,130,764
Expenditure	1,545,787	1,935,962
Gross Profit	112,142	194,802
Interest and Fixed Financial Charges	41,718	166,294
Depreciation & Amortization	115,019	120,908
Tax	10,132	38,160
Prior Period Adjustments	-	-
Net Profit	(54,727)	(130,560)

2. Dividends

Based on the Company's performance and considering the losses incurred by the Company in the previous financial years, your Directors do not recommend payment of dividend for this financial year.

3. Transfer to Reserves

Considering the performance of the Company in the year under review, the Board of Directors do recommend the amount of TRs. 634 for transfer to Bond Redemption reserve as required under section 117C of the Companies Act, 1956 read with General Circular No. 9/2000 dated 18.2000, However the Board do not recommend any amount to transfer to General Reserve.

4. Company's Performance

There is marginal improvement in the Company's performance during the year under review on standalone basis from the stage as reported in the Director's Report dated 18th August, 2011 and Director's Report dated 03rd September, 2011 for the financial year ended on 31st March, 2009 and financial Year ended on 31st March, 2010 respectively. The company has achieved consolidated revenue of TRs.1,657,929 and incurred losses of TRs. 54,727 against revenue of TRs. 2,130,764 and incurred Losses of TRs. 130,560 during the previous year.

The caused delay in finalization of Annual accounts for the year under review is substantially due to the delay in finalization of financial statements of the company for the financial years 2008-09 and 2009-10 (due to the reasons mentioned in the report for said period) which were completed on 3rd September, 2011 only.

The Board is now concentrating on completion of the delayed large System Integration projects to maintain business continuum, to develop customer confidence and to generate new System Integration and services business. We are now able to achieve major project milestones and expect to close the ongoing projects very soon so that old pending receivable may be collected and cash flow situation may eased. New business acquisition is a challenge given the cash flow situation which led to foregoing some new business in the recent past.

The Company is parallelly pursuing restructuring of Bank liabilities and amicable settlement with vendors.

5. Subsidiaries

The company has four Wholly Owned Subsidiary Companies namely, Belgium Satellite Services S.A. (Belgium), Unified Technologies Pvt. Ltd., ORG Telecom Ltd., ORG Singapore Pte. Ltd.

a) The **Belgium Satellite Services, S.A. (BSS)** has achieved the revenue of EURO 20.09 million equivalent to INR 127.27 Cr. and incurred marginal operational loss of EURO 0.02 million equivalent to INR 0.16 Cr. The company is performing well and will achieve new benchmarks in the time to come.

b) Unified Technologies Pvt. Ltd. (TECHUNIFIED) the revenue generated by the company during the year under review is Rs.21.91 Lakhs and incurred losses of Rs.29.19 Lakhs. As reported earlier the Management is focusing on reorganizing the company's operations around its product portfolio and also diversifying into IT enabled services.

c) ORG Telecom Ltd. (OTL): OTL is now our follow on subsidiary company as it become the subsidiary of BSS with effect from the financial year under review. The company has generated revenue of Rs.104.35 Lakhs and incurred losses of Rs.258.94 Lakhs. However as reported earlier BSS is now focusing on satellite services business opportunity in India through OTL as Special purpose vehicle.

d) ORG Singapore Pte. Ltd. (ORG Singapore): There are no business operations during the financial year under review in the company. However your company is trying to explore the new business opportunity for this subsidiary like offshore IT enabled services etc.

6. Employees Stock Options Scheme (ESOS) :

Pursuant to permission granted by the shareholders of the Company to issue Shares under ESOS to its employees, your Board of Directors has formed an ESOS Committee, with its current members consisting of Mr. B.V. Suryakumar, Mr. R.L. Dube and Mr. Ketan K. Adhvaryu, Directors of the Company.

Pursuant to the ESOS Scheme framed by the Company in accordance with the approval obtained from shareholders vide resolution dated August 30, 2003, the Company has got in-principle approval for issuance of 1176000 equity shares from the Stock Exchange, Mumbai. These shares could be issued by the ESOS Committee from time to time in accordance with the Scheme and SEBI Guidelines. The said ESOS Scheme was extended to the employees of Subsidiary Company i.e. ORG Telecom Ltd. also vide Special Resolution passed by the shareholders of the Company in their Annual General Meeting held on 30.8.2005.

Following disclosures are being made in respect of the present ESOS Schemes and Options allotted pursuant thereto as per the requirement of Clause 12.1 of the SEBI (ESOS & ESPS) Guidelines, 1999:-

	ESOS –II* (2005)**	**ESOS-III* (2006)****
(I) Optional Granted\	2,93,000 to be vested over a period of 4 years equally at the rate of 25% each year	4,46,000 to be vested over a period of 4 years equally at the rate of 25% each year
(II) Pricing Formula	Par value of the share which is Rs. 10/- or Average of Weekly High and Low of the closing price of the share quoted on the National Stock Exchange of India Limited or Bombay Stock Exchange Limited where number of trading quantity of shares are higher during the period of last two months or as may be thinks fit by the ESOS Committee.	Par value of the share which is Rs. 10/- or Average of Weekly High and Low of the closing price of the share quoted on the National Stock Exchange of India Limited or Bombay Stock Exchange Limited where number of trading quantity of shares are higher during the period of last two months or as may be thinks fit by the ESOS Committee.
(III) Total Options Vested	2,38,475	2,79,250
(IV) Total Option Exercised	82,275	50,625
(V) Total No. of Shares as a result of exercise of Options.	82,275	50,625
(VI) Total Option carried to next year	20,250	45,000
(VII) Total Options Lapsed	1,90,475	3,50,375
(VIII) Variation of terms of Options	N.A. except inclusion of Subsidiary of employees of the Company (ORG Telecom Limited) and revision in Pricing Formula.	N.A. except inclusion of employees of Subsidiary of the Company (ORG Telecom Limited) and revision in Pricing Formula.
(IX) Money realized by exercise of Options	Rs.41,13,750/-	Rs.31,38,750/-
(X) Total number of Options approved by Stock Exchanges under the Scheme.	11,76,000	11,76,000
(XI) Employee wise Details of Options :		
(a) Granted to Senior Management	2,04,000	4,46,000
(b) No. of Employees Receiving 5% or more of Options out of the total Option granted in that year.	16	13

*Now, the 4 years vesting of Options under this tranches have been completed.

** During the year under report, no option was exercised by any of the employees out of their carried forward Options.

7. Directors

Mr. Manoj Gupta, Managing Director of the company, who was appointed on 18th August, 2009 has resigned on 19th August, 2010 and then Board has appointed Mr. BV Suryakumar as Managing Director initially for a period of one (1) year with effect from August 19th, 2010 and reappointed now for another two (2) years, subject to approval of shareholders and Statutory Authorities.

The brief of changes in the non executive Directors of the Company during the period from 1.4.2010 to till date are as given below:

Sr. No.	Name of Directors	Designation	Date of Appointment	Date of Resignation /Change of Designation	Remarks
1	Mr. Kalyan Mazumder	Director	06.11.2009	21.06.2010	Resignation
2	Brig. Jagjit Singh Ahuja	Director	18.08.2009	01.08.2010	Resignation
3	Mr. Kartikeya V. Sarabhai	Director	22.01.2007	11.04.2011	Resignation
4	Mr. Sushil Kumar Chaturvedi*	CEO & WTD	18.08.2009	12.05.2011	Resignation
5	Mr. B.V. Suryakumar	Managing Director	19.08.2010	**Continuing**	
6	Mr. R.L. Dube	Director	06.07.2007	**Continuing**	
7	Ms. Binu Mehta	Director	19.08.2010	**Continuing**	
8	Mr. Anmol Krishan Sekhri	Additional Director	12.05.2011	**30.9.2011**	Ceased
9	Mr. Ompal Singh Chadha	Additional Director	12.05.2011	**30.9.2011**	Ceased
10	Mr. Ketan K. Adhvaryu	Director	03.08.2011	**Continuing**	

Note : Mr. Sushil Kumar Chatruvedi continues as Chief Executive Officer of the Company.

Mrs. Binu Mehta and Mr. R.L. Dube retire by rotation and being eligible offer themselves for re-appointment has been reappointed in the thirty fifth Annual General Meeting, 2011 held on 30th September, 2011.

8. Auditor's and Auditor's Report

The Sorab S. Engineer & Co., Chartered Accountants, who are the Statutory Auditors of the company, retires on the conclusion of Annual General Meeting, 2011 and are reappointed as Statutory Auditors of the company till the conclusion of next Annual General Meeting.

The attached Auditor's Report to the members of the company for the period under review is self explanatory except Clauses referred herein below with clarifications/ comments of the board on the same for the consideration of the members.

Clauses of Auditor's Report:

Clause-4: With respect to the contingent liabilities not provided for, the Board is of the view that all the items report are not required to make any provisions as the same are either subjudic, project milestone achieved or appeal preferred etc. as the case may be. Regarding cash crunch problem and redressal of the same kindly refer Point-4 of this Report above.

Clause-5 (i): The provision of Rs.161,700 made for fall in value of Investment in Unified Technologies Pvt. Ltd. was because this Software Development Company has suffered severely during the economic meltdown. Majority of employees had left the company. The Management is now focusing on reorganizing the company's operations around its product portfolio and also diversifying into IT enabled services.

Clause-5(ii): Kindly refer Note No7, of the Notes to Accounts, schedule-22 of the balance Sheet for clarification on the reported item.

Clause-5(iii): The Board is of the view that considering the business relationship with the such sundry debtors, the same is recoverable, may be with some reasonable deductions, which can not be ascertained at this stage.

Clause-5(iv): The balance confirmation for Banks account in Afganistan, where company was handing project during the year 2004-05 could not be obtained.

Clause-5 (v): The Company has taken all appropriate action to recover/adjust the reported amount from vendors, business associate companies.

Clause-5(vi): The Board is of the view, that there is possibility of set off of carry forward CENVAT in future but this may be carry forward to the extent permitted by the provision of relevant Act. Kindly refer Note 10(a) of the Notes to Accounts, Schedule-22 of the Balance Sheet.

Clause-5(vii): The High Court of MP has passed the Order, quashing the decision of MPSEDC to encash Tender Security submitted by the company. However the Court has given an opportunity to MPSEDC to issue a show cause Notice to the company before refund of such tender security and such show cause notice has been served to the company which has been replied by the company within the time provided. The Management is hopeful to recover said amount of TRs.25000 from MPSEDC.

Clause-5(viii): Kindly refer Note No. 9, of the Notes to Accounts, schedule-22 of the balance Sheet for clarification on the reported item.

Clause-5(ix): During the year under review, with the approval of shareholders, subject to approval of Statutory Authorities, the company has appointed Mr. BV Suryakumar as New Managing Director after resignation of Mr. Manoj Gupta as Managing Director on 19th August, 2010. The required statutory approval will be taken on removal of procedural constraints faced by the company with the Ministry of Corporate Affairs (online filing with MCA21). For further clarification kindly refer Note No20.

Clause-5(x): The Management of the company in consultation with the Board and Audit committee are of the view that no provisions be made for the items reported there .Wherever appropriate they have been disclosed in the Contingent liabilities. Kindly refer relevant Note in the Notes to accounts for further clarification.

Clause-6(iv) Kindly refer Note-7, 9 and 10 of the Notes to accounts, Schedule-22 of the Balance Sheet for clarification on the reported Items.

Clauses of Annexure of Audito's Report:

Clause-1&2: Considering the nature of business of the company, its not possible to physically verify the Inventories, Stock spare etc. at clients site.

Clause 3(b): Interest free loan is given to its wholly owned *subsidiary companies only. The company is negotiating with suppliers to waive off the Interest and commission claim made by them.*

Clause-4 & 7: "The Board of Directors has noted the observation of the Auditors that the internal audit & control was not commensurate with the size and nature of the Company's business. The Board submitted that due to severe cash crunch in the company it could not done during last financial years and assures the members that immediate step will be taken to ensure that the internal audit & control will be commensurate with the business operation of the Company.

9. General

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is appended herewith and forms part of this report.

There were No employees who withdrawn the remuneration, during the financial year under review, exceeding the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

10. Directors' Responsibility Statement

Your Directors confirm that:-

(i) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

(iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;

(iv) The directors have prepared the annual accounts on a going concern basis.

11. Corporate Governance

The Report on Corporate Governance as required under Clause 49 of the Listing Agreement is given as an **Annexure-II** to this Report. A Certificate from Practicing Company Secretaries regarding compliance of applicable conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also attached to this report.

12. Acknowledgements

The Board records its appreciation of the support which the Company has received from its bankers, customers, government organizations, overseas strategic alliance partners, 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

B.V. Suryakumar Managing Director	Binu Mehta Director

Vadobara
October 5, 2011

Annexure to the Directors' Report

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

CONSERVATION OF ENERGY :

Although the Computer Services Industry as such is not an energy intensive industry, effort are being made continuously by the Company for the conservation of energy through improved operational methods and other means.

Form of Disclosure of Particulars with respect to Absorption of Technology, Research & Development (R&D).

FORM B

1.	Research & Development	:	Not Applicable
2.	Foreign Exchange earnings/ Outgoings	:	Rs. (TRs.)
	Foreign Exchange Inflow	:	28,357
	Foreign Exchange Outflow	:	21,655

Annexure-I

Management Discussion and Analysis Report:

Introduction

ORG is currently engaged in the business of Telecom/IT Systems Integration, Managed Services, Satellite Communications, Software Services including AMC/FMS Services in IT and Telecom sector. The Company has been able to maintain its position as a major player in System Integration business in Government Domain with dominant market share for turnkey projects and make forays in satellite domain and content delivery. Major System Integration Projects have progressed to customers satisfaction resulting in Repeat business and extension of AMC and FMS contracts.

While the impact of Global recession has been profound on domestic front, however ORG was insulated to some extent due to lower dependence on export business. However the company had to face severe cash crunch resulting in cash flow issues putting a strain on acquisition of new business. But ORG due to it's resilience and dedicated staff managed to survive the crisis and focused on completing the ongoing contracts.

Business Vertical REVIEW

Telecom/IT Systems Integration & Services :

Industry structure and Developments:

Indian economy was not insulated from the ramifications of Global meltdown, however Telecom vertical has been showing sustained growth and there is increased awareness that

Telecom/IT are growth engines to boost productivity and competitiveness in the Industry. Government has realized rightfully and taken initiatives for using Technology to empower citizens through E- Governance, which has resulted in increased Telecom /IT spending by Corporate and Government sector alike. Governments E- Governance program has laid increased emphasis on the turnkey solution requirements, which has resulted in increased deployment of computing infrastructure and networks. A significant trend was increase in Data centers, Connectivity, and the last mile solutions. These have been historically the skill sets of ORG. Thankfully these initiatives of Government and Corporate sector together have opened up tremendous opportunities for System Integrators and Service providers.

Opportunities and Threats:

The initiatives taken by Government and Corporate sector and renewed emphasis on expanding IT/Telecom infrastructure to rural areas provide ideal target market for the company, which is historically established in the above space. The renewed emphasis and consolidation among its client base provides company an exciting opportunity to be able to expand its business and target higher profitability.

Outlook :

The Company had embarked on consolidating its position by focusing on acquiring in house skill sets ,solutions and service provision during the year which has resulted in acceptance of company as a one stop solution provider which is evident from the repeat business the company is able to attract and win. The new opportunities have promised a larger market share for the company.

Risks and Concerns:

Telecom/IT sector in India has multiple players both domestic and international operating in the market. There are continued competitive pressures on margins and sales. Additionally, cash flow remains a major constraint as ORG's ability to secure and execute large project profitably.

Telecom :

Industry Structure and Developments

Telecom sector in Indian Subcontinent, CIS, Africa and South East Asia continue to be under tremendous growth stage. With the Government initiative and Corporate emphasis has fuelled technological advances and newer service offerings there is a renewed growth in the systems requirement for servicing the growth. The main impetus is from the subscriber growth being witnessed in these markets which is driving the growth for equipments and services.

Opportunity & Threats

Increasing public and private investment for satellite services in broadcasting services (TV, Mobile Earth, Fixed Earth solution), Teleport Services (Carrier SCPC etc.) and SATCOM (Telecom conversion). Belgium Satellite Services SA (BSS) being among the top satellite service provider worldwide will be able to exploit these opportunities.

Outlook

The Company has major projects under execution phase and is pitching for diversification in private sector with emphasis on scaling services business. Telecom segment and Services offering have shown tremendous growth and is on path to much higher numbers.

Risk and Concerns

Increase in opportunities in Telecom/IT segment has attracted global solution providers and increased number of domestic players which has resulted in increase competition and lower margins. Additionally, cash flow remains a major constraint as ORG's ability to secure and execute large project profitably.

Satellite Services :

Industry Structure and Developments

Satellite services industry cover broadcast teleport services, SATCOM (Telecom conversions) and satellite teleport services. Satellite services market to reach amount USD14.8 billion by 2019 and more than 1200 satellites are expected to be lunched in next 10 years. With proliferation of HD and Digital TV the Broadcasting services as an area is looking up Europe's industry is well placed to exploit these opportunities with numerous world cast broadcasters.

Opportunity & Threats

Increasing public and private investment for satellite services in broadcasting services (TV, Mobile Earth, Fixed Earth solution), Teleport Services (Carrier SCPC etc.) and SATCOM (Telecom conversion).

Belgium Satellite Services SA (BSS) being among the top satellite service provider worldwide will be able to exploit the opportunities.

Outlook

The Company has plan for expansion and strengthen the penetration to increase the subscriber base within the Belgium and PAN Europe. The company has robust business plan to concentrate on customer satisfaction, explore business opportunities in Africa, strengthen tie with Asian Channels and market share maximization. BSS expects significant business growth with sustain profit margins.

Risk and Concerns

The major concern for the company is completion on bandwidth pricing and advancement in Technologies. Hence the Company is planning to concentrate on quality of services at competitive pricing.

Software Services

Industry Structure and Developments

Software development and services has been and remains the key driving force in deploying IT services. It has gained impetus from the initiative taken by the Government for rolling out E-Governance solutions and Corporate initiative of increasing efficiency and productivity in business. The BFSI segment is gaining impetus with more and more financial solutions using IT domain to provide services to ever expanding customer base both in Urban and Rural India. Immense opportunities are opening up in Global markets by way of outsourced software development.

Opportunity & Threats

The Software services business of the company has being carried out through its wholly owned subsidiary **"Tech Unified"**, Which is a new venture for the company and started its operation in the third quarter of the fiscal year ended March, 2008. The company is making its strategy to grab the opportunities available within the Middle East and domestic markets focusing in BFSI segment.

Outlook

The Company has plans for diversifying and building BPO business and providing managed services for software solutions. We envisage seeing some significant revenue growth and increasing in profit margin through this segment of business, as it compliments the Services business of ORG in Telecom/IT domain. The jobs which were outsourced earlier can now be undertaken in house thereby providing one stop solution.

Risk and Concerns

According to Industry reports new players are emerging in this segment both domestic and Global. There is increased pitch of developed countries not to outsource to ensure in house jobs is basically the risk and concern for the Companies business under the segment.

Annexure-II

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

I. Corporate Governance Philosophy:

The primary objective of good Corporate Governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities and identify opportunities that best serves the goal of value creation. Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder - our customers, employees, investors, vendor-partners, the governments of the countries in which we operate, and the community. Thus, corporate governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values.

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

- To satisfy the spirit of the law and not just the letter of the law;
- Corporate governance standards should go beyond the law ;
- Be transparent and maintain a high degree of disclosure levels;
- When in doubt, disclose;
- Make a clear distinction between personal conveniences and corporate resources ;
- Communicate externally, in a truthful manner, about how the Company is run internally;
- Comply with the laws in all the countries in which the Company operates ;
- have a simple and transparent corporate structure driven solely by business needs ;
- Management is the trustee of the shareholders' capital and not the owner .

Your company remains committed to achieving these objects. Given below is the report on corporate governance at ORG Informatics Limited.

II Board of Directors :

As on 31.3.2011, the Board of Directors of the Company comprises of Five Directors of whom two are Executives and three are Non-Executive Directors. The Company is professionally managed and its Board, which oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. Our Board of Directors comprises of professionally qualified Directors who have rich experience in the field of Management, Information Technology, Telecommunications and Finance.

(a) Composition of Board* :

The names, Categories of the Directors on the Board, number of Directorships and Committee Position held by them in other companies, attendance of Directors at Board Meetings during the year under review and the last Annual General Meeting are given below:

Name of Directors	Category	Number of Board Meeting during the year 2010-11		Whether attended last AGM held on 30.09.2010	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies**	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. Sushil Kumar Chaturvedi	Executive Directoer	5	5	YES	–	–	–	–
Mr. B.V. Suryakumar***	Executive-Directoer	5	5	YES	–	5	–	1
Mr. Kartikeya V. Sarabhai	Non-Executive-Non-Independent	5	4	YES	–	1	–	1
Mr. R.L. Dube	Independent Director	5	3	NO	–	1	–	–
Mrs.Binu Mehta****	Independent Director	5	4	NO	–	2	–	–

* All changes in Directorship post 31st March, 2011 have been reported in the Director's Report only.

** In accordance with Clause 49 of the Listing Agreement, memberships of only the Audit Committee and Shareholders' / Investors' Grievance Committees of Public Limited Companies have been considered.

*** Appointed as Managing Director of the Company with effect from 19.8.2010 for a period of One (1) year. Before this he was non-executive director of the Company. He has been re-appointed as Managing Director for another term of two (2) years in the meeting of the shareholders of the Company held on 30.09.2011.

**** Appointed as Director of the Company with effect from 19.8.2010.

No. and date of Board Meetings:-

Five Board Meetings were held during the year 2010-2011 on the following dates.

28.5.2010, 19.08.2010, 04.09.2010, 07.12.2010, and 03.03.2011.

(b) Code of Business Conduct and Ethics for Directors and Senior Management.

The Board of Directors of the Company by Circular Resolution dated 1.12.2005 passed by them, has adopted the Code of Business Conduct and Ethics for Directors and Senior Management (**'the code** ').

A copy of the Code has been put on the Website of the Company i.e. www.orgltd.com

The Code has been circulated to all the members of the Board and Senior Management and the Compliance of the same has been affirmed by them. A declaration signed by the CEO of the Company is given below :

(c) DECLARATION.

I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2010-2011.

For ORG Informatics Limited,

sd/-
Sushil Kumar Chaturvedi
Chief Executive Officer
August 16, 2011
New Delhi,

(d) Certification by the Managing Director:

Mr. B.V. Suryakumar, Managing Director of the Company has issued a Certificate to the Board on the lines of sub-clause V of Clause 49 of the Listing Agreement in connection with the Financial Statements and Cash Flow Statement etc. for the year 2010-11.

The said Certificates was placed before the Board Meeting held on 5th October, 2011 and were recorded thereat.

III. Audit Committee :

1) The Audit Committee of the Company is constituted in line with the provisions of the Clause 49 of the Listing Agreement with Stock Exchange read with Section 292A of the Companies Act, 1956.

2) The term of reference of the Audit Committee are broadly the same as suggested under the Listing agreement entered into between the company and Stock Exchanges.

3) The Audit Committee invites such of executives, as it considers appropriate (particularly finance head), representatives of the Statutory Auditors to be present at its meeting. The Company Secretary acts as the Secretary to the Audit Committee.

4) During the financial year under review, five Audit Committee meetings were held on the 28.5.2010, 18.8.2010, 4.9.2010, 7.12.2010 and 3.3.2011. The composition of the Audit Committee and the details of meetings held and attended by its members are given hereunder :

Name of Member	Designation	No. of Meeting Held	Attended
Mrs. Binu Mehta	Chairman-Independent Director	5	3
Mr. B.V. Suryakumar	Member - Executive Director	5	2
Mr. Kartikeya V. Sarabhai	Member-Non-Executive-Non – Independent	5	3
Mr. R.L. Dube	Member-Independent Director	5	2
Brig. J. S. Ahuja	Member-Independent Director	5	4

Attendance and Quorum : During the financial year ended 31st March, 2011, five meetings of the committee were held and out of five meetings, four were attended by two members and one meeting was attended by three members.

IV. Shareholders' / Investors' Grievance Committee:

During the financial year under review, the Shareholders' / Investors' Grievance Committee Meeting was held only one on 28.05.2010 and was comprises of following Directors :

Name of Member	Designation	No. of Meeting Held	Attended
Mr. B.V. Suryakumar	Chairman	1	1
Brig. J. S. Ahuja	Member	1	1
Mr. Sushil Kumar Chaturvedi	Member	1	1
Mr. Kartikeya V. Sarabhai	Member	1	1
Mr. Manoj Gupta	Member	1	1

It was reported in the meeting that 11 complaints were received by the Company from the Shareholders have been amicably resolved by the Company.

V. Remuneration Committee :

During the financial year under review, the Remuneration Committee Meeting was held one time on 4.9.2010 and was comprises of following Directors :

Name of Member	Designation	No. of Meeting Held	Attended
Mr. Kartikeya V. Sarabhai	Chairman	1	1
Mr. R. L. Dube	Member	1	1
Mrs. Binu Mehta	Member	1	1

The meetings of the Remuneration Committee was held on 4.9.2010 where all the then members were present. Agreement between the Company and Managing Director was reviewed in this meeting.

Details of Remuneration and sitting fee paid to Directors during the financial year 2010-11.

S. No.	Name of Directors	Relationship with other Directors	Sitting Fees' for Board & Committee Meeting 2010-11 Rs.	Salaries & Perquisites (Incl. P.F. Super Annuation & Grantuity 2010-11 Rs.	Commission 2010-11 Rs.	Total 2010-11 Rs.
1.	Mr. Kartikeya V. Sarabhai	None	30,000	Nil	Nil	30,000
2.	Mr. B. V. Suryakumar*	None	11,000	1,854,839	Nil	1,865,839
3.	Mr. Manoj Gupta**	None	Nil	1,352,248	Nil	1,352,248
4.	Mr. R.L. Dube	None	23,000	Nil	Nil	23,000
5.	Brig. J.S. Ahuja***	None	7,000	Nil	Nil	7,000
6.	Mr. Sushil Kumar Chaturvedi	None	Nil	4,488,852	Nil	4,488,852
7.	Mr. Kalyan Mazumder****	None	Nil	Nil	Nil	Nil
8	Mrs. Binu Mehta*****	None	28,000	Nil	Nil	28,000

* Appointed as Managing Director of the Company with effect from 19.8.2010.

** Resigned as Managing Director of the Company with effect from 19.8.2010.

*** Resigned as Director of the Company with effect from 1.8.2010.

**** Resigned as Director of the Company with effect from 21.6.2010.

***** Appointed as Director of the Company with effect from 19.8.2010.

VI. <u>ESOS Committee</u> :

During the financial year under review, no ESOS Committee Meeting was held and was comprises of following Directors :

Name of Member	Designation	No. of Meeting Held	Attended
Mr. B.V. Suryakumar	Chairman	0	0
Mr. Kartikeya V. Sarabhai	Member	0	0
Mr. Sushil Kumar Chaturvedi	Member	0	0

i) **Vesting and allotment under this trench now completed.**

ii) On 30.8.2005, the ESOS Committee of the Company has allotted 10000 Options to Mr. B.V. Suryakumar, the then Director of the Company. The said Options are to be vested into the equity shares of Rs.10/- each of the Company at a premium of Rs.40/- per share, over a period of 4 years, at the rate of 25% per year commencing from 30.8.2006, on the basis of accepted Options.

iii) On 19.9.2006 ESOS Committee of the Company has allotted 45,000 Options to Mr. Sushil Kumar Chaturvedi the then employee of the Company. The said Options are to be vested in to the equity shares of Rs.10/- each of the Company at a premium of Rs. 52/- per share, over a period of 4 years, at the rate of 25% per year commencing from 19.9.2007, on the basis of accepted Options.

In the Annual General Meeting held on 29.9.2008, the Shareholders of the Company have approved the revised price of these shares as Rs.27/- per share i.e. Rs.10/- plus Rs.17/- as premium.

VII. <u>General Body Meetings:</u>

Location, date and time of Annual General Meetings / Extraordinary General Meetings held during last three years.

Year	Date	Time	Location
2007-2008 32nd AGM	29.9.2008	11.00 A.M.	Vanijya Bhavan, Race Course,Vadodara
2008-09 33rd AGM (with extension sought from Central Government)	29.12.2009 (The AGM was adjourned to 26.2.2010 and further ad-journed to sine-die. The sine-die adjourned AGM was held on 30.9.2011 to adopt Audited Accounts for the F.Y. 2008-09	11.00 A..M.	Vanijya Bhavan, Race Course,Vadodara
2009-10 34th AGM	30.9.2010 (The AGM was adjourned to sine-die. The sine-die adjourned AGM was held on 30.9.2011 to adopt Audited Accounts for the F.Y.2009-10	11.00 A..M.	Vanijya Bhavan, Race Course,Vadodara

All the resolutions setout in the respective Notices (Except 33rd AGM and 34th AGM) of the Meetings aforesaid were passed by the shareholders of the Company unanimously. With respect to the 33rd and 34th Annual General Meetings all the resolutions setout in the Notice were passed by the shareholders except adoption of Audited Accounts including report of Board of Directors and Auditors thereon for the financial year 2008-09 and 2009-10 respectively as the same were not ready. The said item of adoption of Audited Accounts for the financial years 2008-09 and 2009-10 were passed by the shareholders in the adjourned AGM, 2009 and AGM, 2010 both held on 30th September, 2011.

During the year under review, there was no occasion for the Company to put any resolution through postal ballot or any of the matters as mandated by Section 192A of the Companies Act ,1956 / Clause 49 of the Listing Agreement.

This year also the Company has not put any resolution through postal ballot.

VIII. Disclosures :

i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years 2007-08, 2008-09 and 2009-10 respectively : **Nil**

iii. The Company has fulfilled the following non-mandatory requirement as prescribed in Annexure ID to Listing Agreements with Stock Exchange(s) :

a. The Company has set up a Remuneration Committee, details of which have been given earlier in this report.

iv. Secretarial Audit : A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity shares capital with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with total number of shares in physical form and the total number of shares in dematerialized form held with NSDL and CDSL.

v. In terms of Section 299 (3)(b) of the Companies Act, 1956, the General Notices of disclosure of interest are obtained from the Directors and accordingly the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed.

vi. Transactions with the "related parties" are disclosed in detail in note No.14 of 'Notes to forming part of Accounts' annexed to the financial statements for the year ended 31st March, 2011. Adequate care was taken by the Board to ensure that the potential conflict of interest did not harm the interest of the Company.

vii. During the year under review, the Company has complied with the requirements of Stock Exchanges / SEBI / Statutory Authorities on all matters related to Capital Markets and there was no non-compliance during the last three years by the Company on any matter related to Capital Markets, except following:

During the year under report, the Company could not timely comply with the provisions of Clause 35 and 47C etc. of the Listing Agreement whereas the Company could not comply with Clause 41 of the listing agreement for the reasons, beyond the control of the management of the Company.

IX. Means of Communication:

a. During the year under report, the Company was not able to submit/publish its any Audited Financial Results/Un-audited Financial Results to the Stock Exchanges.

b. Management Discussion & Analysis Report is part of Directors' Report to Members and annex as **Annexure-I** to the Director's Report.

X. Shareholders Information:

a) Annual General Meeting.

Date : 30.09.2011
Time : 11.00 A.M.
Venue : Vanijya Bhavan, Race Course, Vadodara - 390 007.

AGM held on 30th September, 2011 was adjourned to 1st November, 2011 at same place for Adoption of Accounts for the year ended on 31st March 2011.

b) Financial Calender : 2011 – 2012

Event		Board Meeting
i) Unaudited Results	Qtrly. June11	August 15-2011
Unaudited Results	Qtrly. Sept.11	Nov. 15-2011
Unaudited Results	Qtrly. Dec. 11	Feb. 15-2012
Audited Accounts	March, 2012	May -15-2012

(ii) Annual General Meeting : September 30th, 2012

d) Listed on Stock Exchange(s) and Stock Code :

Bombay Stock Exchange Limited - 517195
Floor 25, P.J. Tower, Dalal Street,
Mumbai-400001

National Stock Exchange of India Limited - ORGINFO
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051.

(The trading of the shares of company was suspended on NSE w.e.f Nov, 2009 and on BSE w.e.f. July 19th, 2010. However after furnishing of all pending financial results with the stcok exchanges the company will make the necessary application with both Stock Exchanges, BSE and NSE for revocation of suspension).

e) Listing fees have been paid up to date to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

f) Stock Price Data on BSE & NSE :

Rs.

MONTH	HIGH (BSE)	HIGH (NSE)	LOW (BSE)	LOW (NSE)
Apr - 2010	12.09	-	10.78	-
May – 2010	12.00	-	10.30	-
June - 2010	11.10	-	8.02	-
July -2010	9.60	-	8.16	-

g) Registrar & Transfer Agents:

MAS Services Ltd. has been acting as Registrar and Share Transfer Agent for both Physical as well as Dematerialization of shares of the Company. The members may contact them on the following address:

Communication Address : M/s MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area,
Phase-II,
New Delhi 110 020.

E-mail Address : info@masserv.com
Telephone No. : 011-2638-7281/82
FAX No : 011-26387384

h) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialization form as per SEBI's directive. The Company has already appointed MAS Services Limited., New Delhi as its Registrar & Share Transfer Agent for dematerialization purposes and also has set up the requisite facilities for dematerialization of shares with National Securities Depositories Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL).

For physical Share Transfer, if the share transfer documents are otherwise in order, share transfers are registered upon approval by the Share Transfer Committee, the meetings of which Committee are generally held at regular intervals of about 15 / 20 days. Thereafter, duly transferred share certificates are dispatched.

The total number of shares transferred during the year 2010 - 2011 was 2823.

i) Distribution of category wise Shareholding as on 31.3.2011.

Category	No. of Shares	Percentage (%)
Promoters	5668892	33.02
Institutional Investors	560	0.00
Body Corporate	1966231	11.45
Indian Public	6889381	40.12
NRI/ Foreign Nationals	30366	0.18
OCBs/FII	2437017	14.20
Trust	186	0.00
Clearing Members	106641	0.62
Foreign Bank (As Custodian)	71200	0.41
TOTAL	**17170474**	**100.00**

ii) Distribution of Shareholding as on 31.3.2011.

Shareholding of Nominal Value of Rs.	No. of shares
1 to 5000	2593808
5001 to 10000	778729
10001 to 20000	703957
20001 to 30000	411231
30001 to 40000	291283
40001 to 50000	257247
50001 to 100000	682233
Over 100000	11451986
TOTAL	**17170474**

j) Dematerialization of Shares:

During the year under review, 260918 shares have been dematerialized through NSDL/ CDSL.

ISIN No. INE686D01012

k) Address for Correspondence:

Shareholders can correspond with Company's Registrar and Share Transfer Agent (RTA) viz. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020, Tel. No.011 – 26387281/82, Fax No. 011-26387384 e-mail : info@masserv.com or at the Company's Registered Office situated at 3rd Floor, "Abhishek", Akshar Chowk, Old Padra Road, Vadodara-390 020, Tel. No. 0265-2320091, 2320093, Fax No. 0265-2320379.

Mr. Vinod Singh Negi, Company Secretary is designated as Compliance Officer may be contacted at : Tetephone No.011-45013327, email: vinod.negi@orgltd.com.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE.

To the Members of

ORG Informatics Limited,

Vadodara

We have examined the registers, records, books & papers necessary for issuing this certificate for the compliance of conditions of corporate governance by **ORG Informatics Limited,** for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreements with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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, we certify that the Company has complied with the conditions of Corporate Governance ***except non compliance of clause 41 by non submitting / Publishing Un-audited/Audited Financial Results for the year ended 31.3.2009 and quarter ended 30.6.2009, 30.9.2009, 31.12.2009 and year ended 31.3.2010 and also for the quarter ended 30.6.2010, 30.9.2010, 31.12.2010 and year ended 31.3.2011 and also non forwarding certificate of Statutory Auditors on Limited Review on the financial results in respect of the said quarters,*** as stipulated in the above mentioned Listing Agreement entered in to with the Stock Exchanges. The Company has also not filed its Balance Sheets for the year ended 31.3.2009 and 31.3.2010 with the Registrar of Companies, Gujarat.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/ Investors' Grievance Committee.

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

Signed at Vadodara on this 3rd Day of September, 2011

For Jayesh Vyas & Associates,
Practicing Company Secretaries

Jayesh Vyas
Proprietor
F C S 5072 & C. P. No. 1790

Auditors' Report

To the Members of ORG Informatics Limited

1. We have audited the attached Balance Sheet of ORG Informatics Limited ("the Company") as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement 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) 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. *The financial statements have been prepared on going concern basis, despite significant losses suffered during the year, substantial contingent liabilities not provided for (Refer Note Nos. 1(a), (b), (c), (d)), legal cases filed by some of the suppliers against the Company and its officials under section 138 of the Negotiable Instruments Act, 1881 (Refer Note No. 2(a)), restriction imposed on a major customer by court, on vendor's request, from making any payment to the Company (Refer Note No 2(c)), causing severe cash crunch, which had in turn resulted in defaults in payment of statutory liabilities / non compliance of statutory requirements/ loss of key management personnel / staff and considerable scaling down of operations. The Company's ability to continue as a going concern is dependent upon satisfactory resolution of the above matters besides steps being taken by management to provide / arrange for significant additional funds.*
5. *Attention is invited to the following:*
   - i. *We are unable to opine on the adequacy of provision of TRs 161,700 for permanent fall in the value of investments amounting to TRs 695,202 in absence of convincing evidence;*
   - ii. *We are unable to opine on the realisability of non moving stock of Stores and Spares of TRs 50,286 not provided by the management for reasons stated in Note No. 7.*
   - iii. *We are unable to opine on recoverability / realisability of old outstanding of Sundry Debtors aggregating to TRs 2,337,024 (including TRs 4,968 due from Subsidiary) which may not be recoverable and which are not appropriately evidenced with correspondence statement of accounts, unconfirmed, unreconciled and against which no material recoveries have been made till date of completion of audit. No provision has been made for such receivables as the management considers them as good for recovery.*
   - iv. *We are unable to opine on the bank balance for which Bank Balance confirmations are not available to the tune of TRs 9,565.*
   - v. *We are unable to opine on recoverability / realisability of old outstanding in respect of (a) advances of TRs. 20,319 given to other company (b) TRs 28,080 advance given to Vendors and (c) TRs 6,593 receivable in respect of Tender Deposit given which are not appropriately evidenced with correspondence statement of accounts, unconfirmed, unreconciled and against which no material recoveries have been made till date of completion of audit. No provision has been made for such receivables as the management considers them as good for recovery.*
   - vi. *In the absence of detailed workings, convincing evidence and legal consultants' opinion on the availability of TRs 28,455 in respect of CENVAT credit for set off in the future, we are unable to comment on the appropriateness of carry forward of the CENVAT recoverable.*
   - vii. *In respect of guarantee of TRs 25,000 invoked by MPSEDC during the year, the management has claimed that the amount is good of recovery since the matter was sub judice and now the company is being Judgment creditor, the management's claim remains to be substantiated by the Order passed by the Court of appropriate jurisdiction. The Company has made the claim of said amount with the MPSEDC for wrongful invocation of the guarantee. We are unable to opine on the recoverability or otherwise of the amount shown under Loans and Advances.*
   - viii. *We are unable to opine on collectability of dues in respect of revenue booked in respect of MTNL contract from BEL to the tune of TRs. 132,069 which are dependent on achievement of certain milestones.*
   - ix. *In respect of Managerial Remuneration paid during the year to Managing and Whole time Director of TRs. 7,696, (Previous year TRs. 6,015), Shareholders' approval was taken in Annual General Meeting held on 29-12-2009 and 30.9.2010. However, No approval from Central Government is obtained for reason stated in Note No 20.*
   - x. *No Provision has been made for :*
     - a. *Impairment loss of Fixed Assets for reasons stated in Note No. 10.*
     - b. *Loans and advances of TRs. 625,403 due from Subsidiary Companies and Associate Company for the reasons stated in Note No. 9 (b).*
     - c. *Invocation of bank guarantees given in respect of various projects undertaken by the Company to the extent of TRs 251,708 and consequential penalties subsequent to the close of the year.*
     - d. *Interest and commission of TRs 64,145, payable,*

in terms of agreements, to the vendors (shown as contingent liability).

e. *Bank and Other Charges of TRs 19,470 paid to one of the vendor (shown as contingent liability).*

f. *Implementation, service / warranty charges aggregating to TRs 30,582 (shown as contingent liability).*

g. *Liquidated Damages / penalty payable to customers for delays in performance / non compliance of some of the contractual Terms and conditions aggregating to TRs 448,736 (shown as contingent liability).*

h. *Interest and Penal charges on bank loans aggregating to TRs. 102,840 for the reasons stated in Note No. 6 (shown as Contingent liability)*

i. *Penalty and other charges which may be imposed by (a) the various Statuary/Regulatory Authorities on account of non compliance of the provisions of the various statutes including non payment of statutory dues and filing of periodic returns. (b) the Court, with respect to the cases filed by the parties against Company's officials (including some past officials) under sections 138 and 143 of the Negotiable Instruments Act, 1881, on account of dishonor of post dated cheques issued to them.*

Due to uncertainty involved, the impact of the above on the profit for the year is presently unascertainable.

6. Further to our comments in the Annexure referred to in paragraph 3 and subject to our comments in paragraphs 4 and 5 above, we report that:

(i) 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;

(ii) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except to the extent referred to hereunder:*

a. *The Company has not determined the provision required for slow moving / non moving inventory for the purpose of arriving at the Value to be scaled down in terms of Accounting Standard 2 – Inventories;*

b. *The Company has not appropriately determined and provided for fall in value of long term investments in subsidiary / associate companies, in terms of Accounting Standard – 13 – Investments; and*

c. *The Company has not adequately determined impairment in assets during the year, in terms of Accounting Standard - 28 – Impairment of Assets.*

(v) On the basis of written representations received from directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required;

7. *Subject to our remarks mentioned in paras 4 and 5 above, the impact on the financial results for the year is unascertainable and our comments contained in annexure referred to in Paragraph 3 above,* in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;

(b) in the case of the profit and loss account, of the profit for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Sorab S. Engineer & Co.
Firm Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Vadodara
October 5, 2011

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

Re: ORG Informatics Limited

1. In respect of its fixed assets:

a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) *Fixed assets held by the Company was not subjected to physical verification. In the absence of verification and reconciliation we are unable to state whether there are any discrepancies.*

c) Though the Company has disposed off considerable portion of its fixed assets, from areas wherein it had stopped operation due to closure of office, as cost saving measure during the year, its ability to continue as a going concern, we are informed by the management, is not affected by such disposals.

2. In respect of its inventories:

a) *As explained to us, during the year none of the inventories comprising of Projects in progress, stores and spares, trade goods etc. have been subjected to physical verification at any time during the year by* *the management.*

b) In the absence of physical verification indicated herein above, there is no question of adequacy or otherwise of the procedures.

c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories. However during the year since the inventories owned by the Company had not been physically verified by the management, we are unable to state whether or not there are any discrepancies.

3. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

   a) The Company had granted interest bearing loan to a subsidiary by converting the share application money into loan vide agreement dated 30th Oct. 2008 and interest free loans to other subsidiaries besides amounts advanced to one company covered in the register maintained under Section 301 of the Companies Act, 1956. As at the year-end, the outstanding balance of such loan granted to this company is TRs. 11,295 and the maximum amount involved during the year was TRs. 12,436.

   b) In our opinion and according to the information and explanations given to us, the terms and conditions of the interest free loans referred to above, keeping in view significant interest claimed by suppliers for credits provided, bankers and other parties, appear prima facie prejudicial to the interest of the Company.

   c) The loans granted are repayable on demand. As informed, the Company has not demanded repayment of the loans during the year and thus there is no default on the part of the parties to whom the amount is lent.

   d) The Company has, in the earlier years, taken interest bearing (and interest free) loan from a Party covered in the register maintained under Section 301 of the Companies Act,1956 and the outstanding balance of such loan aggregated to TRs 33,567 (including accrued interest) and the maximum amount involved during the year was TRs 33,656.

   e) The rate of interest and other terms and conditions of such loan is, in our opinion, prima facie not prejudicial to the interest of the Company.

   f) The loan is repayable on demand and the same has not been demanded.

4. In our opinion and according to the information and explanations given to us and our evaluation of the prevailing internal control structure and its operation disclosed weakness in internal control systems. The said control structure in operation can not be stated to be commensurate with the size of the Company and the nature of its business with regard to the purchase of traded goods / inventory, fixed assets and with regard to the sale of goods and rendering of services.

5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

   a) The particulars of contracts or arrangements referred to Section 301 have been entered in the register required to be maintained under the said section.

   b) According to the information and explanations given to us, where each of such transactions, *other than interest bearing and interest free loans granted (Referred to in Para 3(b), (c) and (d) above),* is in excess of Rs. 5 Lakhs in respect of any party, the transactions have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time, except that in respect of sale of services, no comparison of prices could be made since similar services are not being rendered to any other party by the Company.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

7. There is no Internal Audit System in the Company during the year under review and hence we are unable to comment on this aspect.

8. As informed to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.

9. According to the information and explanations given to us and as revealed by the books of accounts maintained by the Company, *except for the following statutory dues*, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Service Tax and other statutory dues with the appropriate authorities during the year:

Particulars	**Balance at 31.3.11 Amount (TRs.)**	**Period from which due**
Contribution to PF	2,403	July '10
Staff Professional Tax	209	Oct '10
Contribution to ESI	145	July '10
Maharashtra CST	254	Aug '10
Delhi CST	107	Oct '10
Karnataka VAT	45	Mar '10
UP Sales Tax	19	Dec' 08
Service Tax	16,650	Apr' 08
Education Cess Payable	902	Apr'08
Secondary Higher Education Cess	409	Apr' 08

During the year, the management has confirmed that there were no dues payable in respect of Investor Education and Protection Fund, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues.

In the case of Cess, the central government has till date not prescribed the amount of Cess payable under section 441A of the Companies Act, 1956.

The details of disputed demands which have not been deposited during the year as under:

Nature of Statue	Nature of the dues	Amount (TRs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty	9,555	2002-03	ITAT
		9,866	2003-04	CIT(Appeal)
		1,874	2004-05	CIT(Appeal)
	Income Tax	1,0942	2004-05	CIT(Appeal)
		21,083	2005-06	CIT(Appeal)
		15,396	2006-07	CIT(Appeal)
		15,996	2007-08	CIT(Appeal)
Sales Tax Act	Sales Tax	37,057	2008-09	Appellate Tribunal

Note: In respect of Income Tax demands, the Company has deposited TRs 20,000 on ad-hoc basis.

10. In our opinion and according to information and explanations given to us, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth and the Company has not incurred cash losses in current financial year but the Company had incurred cash losses in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to the banks. The period and the amount of defaults excluding interest and penal charges are as under:

Description of Loan	Period of default	Amount TRs. involved
BOI – Cash Credit	Account is NPA Since March 2008	29,222
BOI – BG Invoked	October 2008	7,800
PNB – Cash Credit	Account is NPA Since June 2010	113,372
PNB – BG Invoked	Account is NPA Since June 2010	58,000
CB – Cash Credit	Account is NPA Since Feb 2010	91,386
CB – WCTL	Account is NPA Since Feb 2010	8,549
CB – BG Invoked	Account is NPA Since Feb 2010	5,243
SCB – Cash Credit	Account is NPA Since March 2010	81,862
Barclay – WCL	January 2009	95,863
BOB – CC / WCTL/ BG Invoked	Account is NPA Since Feb 2010	141,053

12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society.

14. According to the information and explanations given to us, the Company is not dealing in shares, securities and other investments.

15. In our opinion and according to the information and explanations given to us, the Company has, other than guarantees given to a bank on behalf of subsidiary Company, not given any guarantees for loans taken by others from banks and financial institutions. The terms and conditions whereof are not prejudicial to the interest of the Company except for the guarantees which are invoked by the banks.

16. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans, except vehicle loans which are repayable in installments, and their application is as agreed were availed by the Company during the financial year, hence there is no question of any misapplication.

17. According to the information and explanations given to us, funds raised by the Company on short term basis have, prima facie, not been used during the year for long term investment.

18. According to the information and explanation given to us and as evidenced by the books and records, the Company has not issued any bonds / debentures during the year and hence there is no question of creating any security during the year.

19. The Company has not, according to the information and explanation given to us, raised any funds from public during the year hence the question of verification of end use does not arise.

20. According to the information and explanations given to us, the Company has not made during the year, any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Vadodara
October 5, 2011

Balance Sheet as at March 31, 2011

	Schedule No.	As at March 31, 2011 Amount (Rs. In '000)	As at March 31, 2010 Amount (Rs. In '000)
Sources of Funds			
Shareholders Funds			
Share Capital	1	171,705	171,705
Reserves & Surplus	2	573,462	609,161
		745,167	780,866
Loan Funds			
Secured Loans	3	566,673	506,658
Unsecured Loans	4	1,463,812	1,521,687
		2,030,485	2,028,345
Total		2,775,652	2,809,211
Application of Funds			
Fixed Assets	5		
Gross Block		168,895	169,407
Less: Depreciation / Amortisation		141,773	116,288
Net Block		27,122	53,119
Investments	6	533,528	533,528
Deferred Tax Asset		15,470	11,194
(Refer Note B - 11 of Schedule 22)			
Current Assets, Loans and Advances			
Inventories	7	76,692	158,231
Sundry Debtors	8	2,367,553	2,622,672
Cash and Bank Balances	9	56,124	56,553
Other Current Assets	10	164,756	27,793
Loans and Advances	11	752,804	717,376
		3,417,929	3,582,625
Less: Current Liabilities and Provisions	12		
Current Liabilities		1,548,125	1,738,692
Provisions		134,787	102,881
		1,682,912	1,841,573
Net Current Assets		1,735,017	1,741,052
Profit and Loss account	13	464,515	470,318
Total		2,775,652	2,809,211
Significant Accounting Policies and Notes to the Financial Statements	22		

As per our report of even date attached
For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place :Vadodara
Date : October 5th, 2011

Profit and Loss Account for the year ended March 31, 2011

	Schedule No.	Year ended March 31, 2011 Amount (Rs. In '000)	Year ended March 31, 2010 Amount (Rs. In '000)
Sources of Funds			
INCOME			
Revenue from operations	**14**	**351,371**	248,387
Other Income	**15**	**63,745**	128,962
Total (A)		**415,116**	377,349
EXPENDITURE			
Consumption of Material / Cost of Goods sold	**16**	**170,162**	153,745
Stores and Spares Consumed	**17**	**489**	4,402
Project Service Expenses	**18**	**122,749**	-
Personnel Costs	**19**	**39,174**	36,486
Administrative and Other expenses	**20**	**14,427**	31,717
Interest and Finance Charges	**21**	**31,426**	147,700
Depreciation/Amortisation	**5**	**25,923**	30,066
Total (B)		**404,350**	404,116
Profit/(Loss) before Tax (A-B)		**10,766**	(26,767)
Less: Provision for taxation			
Current Tax		**14,408**	-
Deferred Tax (Net)		**(4,276)**	40,250
Net Profit/(Loss) after Tax		**634**	(67,017)
Less : Trasferred to Bond Redemption Reserve		**634**	-
Balance as per last Balance Sheet		**(470,318)**	(403,301)
Balance carried to the Balance Sheet	**13**	**(470,318)**	(470,318)
Earning per share (Refer Note B - 12 of Schedule 22)			
- Basic		0.04	(3.90)
- Diluted		0.04	(3.90)
Significant Accounting Policies and Notes to the Financial Statements	**22**		

As per our report of even date attached
For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place :Vadodara
Date : October 5th, 2011

Schedules forming part of Balance Sheet as at March 31, 2011

			As at March 31, 2011 Amount (Rs. In '000)		As at March 31, 2010 Amount (Rs. In '000)
1	**Share Capital**				
	Authorised:				
	27,000,000 (Previous year 27,000,000)				
	Equity Shares of Rs.10/-each		**270,000**		270,000
	Issued, subscribed and paid up:				
	17,170,474 (Previous year 17,170,474)				
	Equity Shares of Rs.10/- each fully paid up		**171,705**		171,705
	(Refer Note B - 3 of Sechedule 22)				
	Of the above:				
	9,492,554 (Previous Year 9,492,554				
	Equity Shares of Face Value of Rs.10/- each) are issued and				
	alloted pursuant to contracts for consideration other than cash.		**171,705**		171,705
2	**Reserves and Surplus**				
	Capital Reserve:				
	Balance as per last Balance Sheet		**3,780**		3,780
	Bond Redemption Reserve:				
	Balance as per last Balance Sheet	**31,976**		31,976	
	Add: Transferred from Profit & Loss Account	**634**	**32,610**	-	31,976
	(Refer Note B - 4 (d) of schedule 22)				
	Securities Premium Account:				
	Balance as per Last Balance Sheet	**564,788**		602,199	
	Less: Premium on Redemption of FCCB	**31,539**	**533,249**	37,411	564,788
	Employee Stock Options Outstanding:				
	Balance as per Last Balance Sheet	**9,626**		19,460	
	Less: Transferred to General Reserve	**5,803**		-	
	Less: Reversal due to lapse of options	**-**		9,834	
	(A)	**3,823**		9,626	
	Deferred Employee Compensation Expense:				
	Balance as per Last Balance Sheet	**1,009**		8,128	
	Less: Reversals due to lapse of options	**-**		5,101	
	Less: Transferred to profit & loss Account	**1,009**		2,018	
	(B)	**-**		1,009	
	(A)-(B)		**3,823**		8,617
	General Reserve:				
	Transferred from Employee Stock Option Outstanding	**5,803**		-	
	Less: Adjusted against Profit & loss Account	**5,803**	**-**		-
			573,462		**609,161**

Schedules forming part of Balance Sheet as at March 31, 2011

			As at March 31, 2011 Amount (Rs. In '000)		As at March 31, 2010 Amount (Rs. In '000)
3	**Secured Loans**				
	From Banks:				
	(Refer Note B - 6(a) of Schedule 22)				
	Cash Credit / Working capital Demand loans:		**536,486**		475,894
	Interest Accrued and Due on above		**30,096**		30,096
	(Secured against pledge of Fixed Deposits,hypothecation of stock of Raw Materials, Work in Progress, Stores and Spares, Finished Goods and all other current assets of the Company besides collateral security of movable Fixed assets.)				
	Vehicle Loans:				
	From Banks:		**91**		668
	(Secured against hypothecation of related vehicles)				
			566,673		506,658
4	**Unsecured Loans**				
	Short Term Loans & Advances				
	From Banks (Refer Note B - 6(a) of Schedule 22)	**75,000**		75,000	
	Interest Due	**20,863**	**95,863**	20,863	95,863
	Other Loans & Advances				
	From Shareholders	**28,303**		28,614	
	Interest accrued and due	**5,264**	**33,567**	3,988	32,602
	From Others		**619,982**		670,982
	160, 2.5% Foreign Currency Convertible Bonds of face value US $ 100,000 each (Refer Note B - 4 in shedule 22)		**714,400**		722,240
			1,463,812		1,521,687
6	**Investments - Non Trade, Unquoted (At Cost)**				
	(A) Long Term Investment:				
	In Subsidiary Companies:				
	ORG Telecom Ltd.				
	737,500 (Previous year 737,500) Equity Shares of Rs 10/- each fully paid up		**28,000**		28,000
	Unified Technologies Private Limited				
	11,314 (Previous year 11,314) Equity Shares of Rs 10/- each fully paid up		**323,400**		323,400
	ORG Singapore Pte. Ltd				
	320,000 (Previous year 320,000) Equity Shares at Par Value		**29,110**		29,110
	Belgium Satellite Services S.A.				
	4,911,500 (Previous year 4,911,500) Equity Shares of Euro 1 each fully paid up (Refer Note B - 5 of Schedule 22)		**329,147**		329,147

Schedules forming part of Balance Sheet as at March 31, 2011

Schedule 5 - Fixed Assets

Amount (Rs. In '000)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01-04-2010	Additions during the year	Deduction during the year	As at 31-03-2011	As at 01-04-2010	Addition	Deduction during the year	As at 31-03-2011	As at 31-03-2011	As at 31-03-2010
(A) TANGIBLE ASSETS										
(I) OWNED										
Plant and Machinery	9,227	-	93	9,134	2,811	475	-	3,286	5,848	6,416
Furniture Fixture and Computers	21,655	57	51	21,661	13,722	2,267	20	15,969	5,692	7,933
Vehicles	1,171	-	-	1,171	1,077	24	-	1,101	70	94
(II) LEASED										
Vehicles	1,525	-	425	1,100	638	232	418	452	648	887
TOTAL (A)	**33,578**	**57**	**569**	**33,066**	**18,248**	**2,998**	**438**	**20,808**	**12,258**	**15,330**
(B) INTANGIBLE ASSETS										
Technical Know How	3,958	-	-	3,958	3,958	-	-	3,958	-	-
Software	131,871	-	-	131,871	94,082	22,925	-	117,007	14,864	37,789
TOTAL (B)	**135,829**	**-**	**-**	**135,829**	**98,040**	**22,925**	**-**	**120,965**	**14,864**	**37,789**
TOTAL (A+B)	**169,407**	**57**	**569**	**168,895**	**116,288**	**25,923**	**438**	**141,773**	**27,122**	**53,119**
PREVIOUS YEAR	173,557	149	4,299	169,407	86,945	30,066	723	116,288	53,119	

Note: Deduction in Plant & Machinery represents the Foreign Exchange difference adjusted during the year (Previous year Deduction TRs. 912).

Schedules forming part of Balance Sheet as at March 31, 2011

		As at March 31, 2011 Amount (Rs. In '000)	As at March 31, 2010 Amount (Rs. In '000)
	In Other companies:		
	Alberio Singapore Pte. Limited		
	562,500 (Previous Year 562,500) Ordinary Shares of		
	singapore $ 0.01 each fully paid up	**14,655**	14,655
	Smart Broadband Services Private Limited		
	2,600 (Previous Year 2,600) Ordinary Shares of Rs.10/- each fully paid up	**26**	26
		724,338	724,338
	Less:Provision for Dimunition in value of Investments*	**190,810**	190,810
		533,528	533,528
	* Details of Provision for Dimunition in value of Investments:		
	Unified Technologies Private Limited	**161,700**	161,700
	ORG Singapore Pte.Ltd.	**29,110**	29,110
		190,810	190,810
7	**Inventories**		
	(As taken, valued and certified by the Management)		
	Stores and spares (Refer Note B - 7 of Schedule 22)	**50,286**	50,286
	Project / Contracts in progress	**26,406**	107,945
		76,692	158,231
8	**Sundry Debtors**		
	(Refer Note B - 8 of Schedule 22)		
	(Unsecured, considered good unless otherwise stated)		
	Debts outstanding for a period exceeding six months		
	-Considered Good	**2,360,494**	2,475,249
	-Considered Doubtful	**8,713**	8,713
		2,369,207	2,483,962
	Less: Provision for Doubtful	**8,713**	8,713
		2,360,494	2,475,249
	Other Debts	**7,059**	147,423
		2,367,553	2,622,672
9	**Cash and Bank Balances**		
	Cash and cheques in hand [including Foreign currency		
	notes equivalent to TRs 3 (Previous year TRs 3)]	**20**	35
	Balances with scheduled banks (Refer Note B - 6(b) of Schedule 22)		
	- in Current Accounts	**2,862**	4,030
	- in Foreign Currency Accounts	**9,439**	9,490
	- in Fixed Deposits Accounts		
	-Pledged with Court and Government Authorities	**2,148**	2,018
	- in Margin Money Deposit Accounts		
	(Deposits under Bank lien for issue of Bank Gurantee)	**41,655**	40,980
		56,124	56,553

Schedules forming part of Balance Sheet as at March 31, 2011

		As at March 31, 2011 Amount (Rs. In '000)	As at March 31, 2010 Amount (Rs. In '000)
10	**Other Current Assets**		
	Interest Accrued	**4,388**	2,194
	Other Receivables	**28,299**	25,599
	Income Receivable (Refer Note B - 8 (a) of Schedule 22)	**132,069**	-
		164,756	27,793
11	**Loans and Advances**		
	(Unsecured, considered good unless otherwise stated)		
	Advances to Suppliers	**28,080**	25,159
	Advance recoverable in cash or kind or for value to be received		
	-Considered Good (Refer Note B - 9 (a) of Schedule 22)	**63,785**	64,369
	-Considered doubtful	**-**	-
		63,785	64,369
	Less: Provision for doubtful advances	**-**	-
		63,785	64,369
	Loan to wholly Owned subsidiary		
	(Refer Note B - 9 (b) of Schedule 22)		
	- ORG Telecom Limited	**139,868**	136,517
	- ORG Singapore Pte. Ltd.	**4,930**	4,985
	- Unified Technologies Pvt.Ltd.	**64,418**	64,409
	- Belgium Satellite Serrvices S.A.-Belgium		
	(Refer Note B - 5 of Schedule 22)	**404,892**	360,122
	Advances to other group companies		
	- Six Dee Telecom Solutions Limited	**11,295**	12,436
	Advance Taxes Paid (Net of Provision for Taxation		
	TRs.44,568, Previous year TRs. 30,130)	**35,536**	49,379
		752,804	717,376
12	**Current Liabilities and Provisions**		
	Current Liabilities		
	Sundry Creditors (Refer Note B - 17 of Schedule 22)	**961,721**	1,289,660
	Advances from customers	**229,540**	229,308
	Other Current Liabilities	**356,864**	219,724
		1,548,125	1,738,692
	Provisions		
	Provision for Gratuity	**8,627**	8,755
	Provision for Leave Encashment	**1,782**	1,287
	Provision for Premium on Redemption of FCCB	**124,378**	92,839
	(Refer Note B - 4 in shedule 22)		
		134,787	102,881
13	**Profit & loss Account**		
	Balance as per Profit and Loss Account	**470,318**	470,318
	Less: Adjusted against General Reserve	**5,803**	**-**
		464,515	470,318

Schedules forming part of Profit & Loss Accounts for the year ended March 31, 2011

		Year ended March 31, 2011 Amount (Rs. In '000)	Year ended March 31, 2010 Amount (Rs. In '000)
14	**Revenue from Operations**		
	Project Revenue (Refer Note B-8(a) of Schedule - 22)	**340,582**	49,999
	Revenue from Trading	**2,143**	1,131
	Sale of Services	**8,646**	197,257
		351,371	248,387
15	**Other Income**		
	Miscellaneous Income	**378**	3,337
	Sundry Credit balance written off	**4,569**	10,458
	Profit on sale of Assets (Net)	**58**	-
	Foreign Exchange Gain	**25,129**	66,729
	Interest on Fixed Deposits / Margin Deposits		
	(Tax deducted at source TRs.298, Previous year TRs. 1,055)	5,254	7,655
	Interest received from others	28,357	40,783
		33,611	48,438
		63,745	128,962
16	**Consumption of Material/ Cost of Goods sold**		
	Opening Stock:		
	Project in Progress	**107,945**	166,843
	Trade Goods	**-**	952
		107,945	167,795
	Add: Purchases - Project Related	**87,098**	93,895
	- Traded Goods	**1,525**	-
		88,623	93,895
	(A)	**196,568**	261,690
	Less: Closing Stock		
	Project in Progress	**26,406**	107,945
	Trade Goods	**-**	-
	(B)	**26,406**	107,945
	Total (A-B)	**170,162**	153,745
17	**Stores and Spares Consumed**		
	Opening Stock	**50,286**	50,286
	Add: Purchase	**489**	4,402
		50,775	54,688
	Less: Closing Stock	**50,286**	50,286
		489	4,402
18	**Project Service Expenses**		
	Project Expenses	**122,749**	-
		122,749	-

Schedules forming part of Profit & Loss Accounts for the year ended March 31, 2011

			Year ended March 31, 2011 Amount (Rs. In '000)	Year ended March 31, 2010 Amount (Rs. In '000)
19	**Personnel Costs**			
	Salaries, Wages and Bonus		**32,694**	31,424
	Contribution to Statutory and Other Funds and Provision for Retirement Benefits		**4,868**	2,216
	Employee Stock Compensation Expense		**1,009**	2,018
	Staff Welfare Expenses		**603**	828
			39,174	36,486
20	**Administrative and Other Expenses**			
	Electricity Expenses		**737**	961
	Service Charges		**284**	3,056
	Rent and Hire Charges		**3,541**	3,122
	Insurance		**22**	2,591
	Rates and Taxes		**313**	398
	Repairs and maintenance			
	- Others		**270**	186
	Communication expenses		**1,053**	1,303
	Legal and Professional Charges		**5,239**	5,357
	Printing and stationery		**263**	375
	Travelling and Conveyance		**2,168**	1,991
	Advertisement		**1**	3
	Auditors' remuneration - (Including Service Tax)			
	-As Auditors		**331**	331
	-Certification Fees		**-**	-
	-Out of Pocket Expenses		**-**	-
	Selling and Distribution Expenses		**-**	67
	Directors Sitting Fees		**99**	156
	Bad Debts written off		**-**	165
	Loss on Sale of Fixed Assets		**-**	130
	Sundry debit balances written off		**11**	-
	Penalies/ Liquidated Damages		**40**	11,326
	Miscellaneous Expenses		**55**	199
			14,427	31,717
21	**Interest and Finance Charges**			
	Bank Charges		**9,714**	10,291
	Interest on Bank Loans	-		92,642
	Interest-others	21,712		44,767
			21,712	137,409
			31,426	147,700

Cash flow statement for the Year ended March 31, 2011

		Year ended March 31, 2011		Year ended March 31, 2010	
		Amount (Rs.'000)	**Amount (Rs.'000)**	Amount (Rs.'000)	Amount (Rs.'000)
A	**Cash flow from operating activities :**				
	Net Profit before tax		**10,766**		(26,767)
	Adjustments for :				
	Depreciation/Amortisation	**25,923**		30,066	
	Unrealised Foreign Exchange Gain	**(25,129)**		(66,729)	
	(Profit)/Loss on Sale of Asset (Net)	**(58)**		130	
	Employee Stock Compensation Expense	**1,009**		2,018	
	Employee Stock Outstanding	**-**		(4,733)	
	Provision for Gratuity	**1,712**		1,415	
	Provision for Leave encashment	**856**		216	
	Bad Debts / Sundry debit Balance Written off	**11**		165	
	Sundry Credit Balance/ Excess Provision Written back	**(4,569)**		(10,458)	
	Interest Income	**(33,611)**		(48,438)	
	Interest expense	**21,712**		137,409	
			(12,144)		41,061
	Operating Profit before working capital changes		**(1,378)**		14,294
	Adjustments for:				
	Trade receivables	**253,767**		461,994	
	Other receivables	**(134,769)**		(500)	
	Inventories	**81,539**		59,850	
	Trade Payables and other liabilities	**(186,065)**		(541,081)	
			(14,472)		(19,737)
	Cash generated from operations	**-**	**(13,094)**	-	(5,443)
	Direct taxes Paid (including FBT)	**13,843**		(65,416)	
			13,843		(65,416)
	Net cash generated from operating activities		**(26,937)**		(70,859)
B	**Cash flow from investing activities :**				
	Purchase of Fixed assets	**(57)**		(149)	
	Sale of Fixed assets	**96**		2,534	
	Sale of Investments	**-**		7,000	
	Interest received	**31,417**		47,933	
	Loans and advances	**(47,326)**		32,324	
	Net cash used in investing activities		**(15,870)**		89,642

C	**Cash flow from financing activities**				
	Issue of FCCB	**-**		-	
	Interest paid	**(20,436)**		(97,352)	
	Net proceeds from borrowings	**8,704**		(16,562)	
	Net cash flow from financing activities		**(11,732)**		(113,914)
D	**Net Decrease in cash and cash equivalents (A+B+C)**		**(665)**		(95,131)
E	**Cash and cash equivalents at the beginning of the year**		**32,799**		127,930
F	**Cash and cash equivalents at the close of the year (D + E)**		**32,134**		32,799

Note :

1) The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard - 3 on Cash Flow Statement notified by Companies (Accounting Standards) Rules, 2006

2) Cash and Cash equivalents included in the cash flow statement comprise the following items

	As at March 31st, 2011	**As at March 31st, 2010**
Cash on Hand	**20**	35
Balances with banks **	**56,104**	56,518
Unrealised Exchange (Gain) / Loss	**(23,990)**	(23,754)
Cash and Cash equivalents as restated	**32,134**	32,799

3) ** Includes TRs 41,655 (Previous Year TRs. 40,980) in Margin Money accounts with the banks against guarantees issued.

Significant Accounting Policies and
Notes to Accounts to the Financial Statements. Schedule 22

As per our report of even date attached
For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place : Vadodara
Date : October 5th, 2011

Schedule 22

Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2011

A. Significant Accounting Policies

1. ***Accounting Convention***

Financial statements have been prepared in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

2. ***Basis of Preparation of Financial statements***

The financial statements have been prepared as of a going concern on historical cost convention and on accrual basis of accounting in accordance with generally accepted accounting principles and the provisions of Companies Act, 1956.

3. ***Use of Estimates***

The presentation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liability as at the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

4. ***Inventory***

Inventory is valued as under:-

Stores and Spares – at monthly weighted average cost.

Traded goods and Equipments stock – at lower of Weighted Average on FIFO Basis or realizable value.

Projects / Contracts work in progress – at cost. Provisions are made for anticipated losses, if any.

5. ***Prior Period / Extraordinary Items / Event Occuring after Balance Sheet Date***

All prior period items, which are material and which arise in the current period as a result of 'errors and omissions', in the preparation of prior periods' financial statements, are separately disclosed in the current statement of Profit and Loss. However, differences in actual income / expenditure arising out of over or under estimation in the previous period are not treated as prior period income / expenditure.

All extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the company and which are material are separately disclosed in the statement of accounts.

Assets and liabilities should be adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

6. ***Fixed Assets and Depreciation***

- Fixed Assets are stated at cost less accumulated depreciation thereon. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.
- Exchange rate gain or loss on foreign currency loans related to acquisition of depreciable assets is being capitalized.
- Depreciation is provided on the straight-line method basis, except in the case of Vehicles, where the written down value method is used. The rates of depreciation prescribed in Schedule-XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate. Pursuant to this policy depreciation on plant and machinery has been provided @ 5.15%, which is higher than the corresponding rates prescribed under schedule-XIV to the Companies Act, 1956.

7. ***Impairment of assets***

At each balance sheet date, the Company assesses whether there is any indication that an asset is impaired. If any such indication exists, the Company estimates the recoverable amount. An impaired loss is recognized in the profit and loss account to the extent the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value.

8. ***Intangible Assets***

Intangible assets consisting of Technical Know-how and Software are amortized over a period of five years or over the remaining useful lives determined on a subsequent review, if shorter.

9. ***Revenue Recognition***

Sales of products are recognized when risk and reward of ownership of products are passed on to the customers which is generally on dispatch of goods and are exclusive of sales tax.

Revenue from service contracts is accounted for when services are rendered and / or in terms of the agreement with the parties.

Revenue from projects is recognized on the proportionate completion method including in respect of turnkey project work. In accordance with this method, revenue is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution. The determination of revenue under this method involves making estimates, some of which are of technical nature, concerning, where relevant, the proportion of completion, cost of completion and expected revenues etc.

10. *Foreign Currency transactions*

Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities relating to foreign currency transaction remaining unsettled at the end of the year are translated at the year-end rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise except for the exchange difference related to acquisition of fixed assets which are capitalized.

11. *Investments*

Current Investments are stated at lower of cost or net fair market value. Long term investments including in subsidiaries, associates etc. are carried at cost less provision, if any, for diminution, other than temporary, in their value.

12. *Retirement Benefits*

Provident Fund

The Company's contributions towards Provident fund are charged to the Profit and Loss Account for the year.

Superannuation benefits

The Company has availed for Employees Group superannuation scheme with the Life Insurance Corporation of India for providing pension benefits to its staff that have satisfied the criteria specified by the company from time to time. Contribution paid to the Scheme is charged to revenue account.

Gratuity benefits and Leave encashment

The Company provides for gratuity liability and leave encashment on the basis of actuarial valuation at the year end and incremental liability, if any, is provided for in the books. The actuarial valuation is done based on Projected Unit Credit Method. Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

13. *Borrowing Cost*

Borrowing costs attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

14. *Leases*

Assets taken on finance lease are capitalized in accordance with the Accounting Standard 19 on "Leases" notified by Companies (Accounting Standards) Rules, 2006.

In respect of assets taken on operating lease, the lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

15. *Taxes on Income*

Tax expense for the period, current tax, deferred tax and fringe benefit is included in determining the net profit/(loss) for the period.

Deferred Tax is recognized for all timing differences between the accounting income and taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods and is quantified using the enacted/substantially enacted tax rates as at the balance sheet date.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence.

Deferred Tax Assets are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

16. *Earning Per Share*

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share notified by Companies (Accounting Standard) Rules, 2006. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

17. *Provisions, Contingent Liabilities and Contingent Assets*

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate can be made of the amount of obligation.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimates of the amount of the obligation can not be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

18. *Share Issue Expenses*

Share issue expenses are adjusted against securities premium account to the extent of balance available and the balance portion, if any, left thereafter is charged off to the profit and loss account, as incurred. Premium on redemption of FCCB is also adjusted against securities premium account.

(Rs in '000 = TRs.)

B. Notes to Accounts

1. Contingent liabilities not provided for:

a) Bank Guarantees given in respect of projects undertaken by the Company TRs. 330,039 (Previous Year TRs. 393,817)

b) Interest and Penal Charges on Bank Borrowings TRs. 102,840 (Previous year TRs. Nil)

c) Disputed Demands in respect of :

i. Income Tax Matters - TRs. 95,925 (Previous year TRs. 86,721)

ii. VAT/ Sales Tax Matters - TRs. 37,057 (Previous Year TRs. 37,057)

d) Claims against the Company not acknowledged as debts:

i. Other Matters (including interest charged by vendors) - TRs. 114,197 (Previous Year TRs. 114,197)

ii. Liquidated Damages / penalties (including amounts provisionally withheld by customers) - TRs. 448,736 (Previous Year TRs. 448,736)

2. a) There are several cases which have been filed by parties/vendors against the Company and some of its past and present officials under sections 138 and 143 of The Negotiable Instruments Act, 1881 on account of dishonour of PDCs issued to them. Further the parties have claimed interest and other legal charges for which provision has not been created as the same remains to be quantified.

b) The Madhya Pradesh State Electronic Development Corporation Ltd. (MPSEDC) had wrongfully invoked guarantee of TRs. 25,000 (Previous year TRs. 25,000) which was submitted towards Earnest Money pertaining to the Company's bid for an upcoming project on the plea that there had been a withdrawal by one of the consortium members. This withdrawal was considered as an alteration to the bid conditions as prescribed by MPSEDC. The Company had filed a case against MPSEDC in Madhya Pradesh High Court and obtained a stay, besides an order against such appropriation, directing the Madhya Pradesh govt. to keep the money in a separate account, till further orders. Pending finality in the matter, no provision has been made for this invocation and the amount paid is carried under advances (considered good).

c) In the case of a major contract with Telecommunications Consultants India Limited (TCIL), one of the vendors, to whom a corporate guarantee for TRs. 32,000 (Previous year TRs. 32,000) had been given, had obtained the stay order from the Delhi High Court, directing TCIL not to make any payment to the Company till such time the vendor's liability has been settled in full. The matter is pending.

3. **Employee Share –based Payment Plans:**

- During the year ended March 31, 2011, the Company had two share based payment arrangements, which are described below:

EMPLOYEE STOCK OPTION SCHEME

Type of arrangement	ESOS II	ESOS III
Date of Grant	30-Aug-05	September 19,2006
Number Granted	2,93,000	4,46,000
Contractual life	4 years	4 years
Vesting conditions	Vesting uniformly over a period of 4 years with effect from August 30, 2006. During the year vesting date has been changed to September 30, 2006.	Vesting uniformly over a period of 4 years with effect from September 19, 2007. During the year vesting date has been changed to September 30, 2007.

- The Company follows the intrinsic value method of accounting as per Guidance Note issued by The Institute of Chartered Accountants of India on Employee Share-based Payments. As per the said method, the fair value of the share is worked out by an independent valuer on the date of grant. Accordingly, the difference between the fair value and the exercise price has been treated as Deferred Stock Compensation expenses to be amortized over the period of vesting.

- The estimated fair value (measured independently by a valuer) of each of the stock options granted viz.

Employee Stock Option Scheme –II and III is Rs. 150.70 and 111.95 respectively, per share on the date of grant. The model inputs were:

	ESOS-II	ESOS-III
Exercise price (Original) **Exercise price revised during the year (In AGM held on 29.09.08, Item no. 6)**	Rs. 50 **Rs. 27**	Rs. 62 **Rs. 27**
Expected volatility	705%	265%
Expected forfeiture percentage on each vesting date	5%	5%
Option life	1 through 5 years	1 through 5 years
Expected dividends	-	-
Risk-free interest rate	8%	8%

➢ Further details of the two stock option plans are as follows:

	ESOSII	ESOS III	Total
Total No. of Options under the Scheme	293,000	446,000	739,000
Outstanding as at 01.04.10	0	23,750	23,750
Exercisable as at 01.04.10	19,750	60,800	80,550
Options Granted during the year	0	23,750	23,750
Exercise Price (Rs.)	27	27	
Options vested during the year	0	11,250	11,250
Exercised during the year	0	0	0
Expired during the year	19,750	39,550	59,300
Options Outstanding as at 31.03.11	0	0	0
Exercisable as at 31.03.11	0	45,000	45,000

4. a) The Company had issued and allotted 160, 2.5% unsecured Foreign Currency Convertible Bonds (FCCB's) of the face value of US $ 100,000 each aggregating to US $ 16 Million. As per the terms of the issue the holder has an option to convert the FCCB's into equity shares at an initial conversion price of Rs. 130.00 per share with a fixed rate of exchange on conversion of Rs. 39.33 to US $ 1 from the issue date until October 14, 2012. The conversion price is subject to certain adjustments. Further under certain conditions the bondholder has the option for early redemption in whole but not in part unless previously converted, redeemed or purchased and cancelled, The Bonds are due for redemption on November 14, 2012. There is a dispute between the company and Bond Trustee (Bank of New York, BoNY) regarding early redemption of Bonds for which, on the request of bondholders holding more than 25% of outstanding bonds, the Trustee has served the acceleration notice on the company.

b) Redemption Provision (as required by AS- 29 Provision Contingent Liabilities and contingent Assets) in respect of premium payable on unsecured Foreign Currency Convertible Bonds (FCCB's) is as under:

Particulars	2010-11 (TRs.)	2009-10 (TRs.)
Opening Balance	92,839	55,428
Add: Provision for the year	31,539	37,411
Closing Balance	**124,378**	**92,839**

c) During the year, the Company has transferred TRs. 634 to Bond Redemption Reserve as per Section 117c of the Companies Act, 1956 to the extent of available profit.

5. The Company had vide Agreement dated October 30, 2008 with Belgium Satellite Service Company (BSS) 100% subsidiary of the Company converted the amount of TRs. 5,88,256 kept in Share Application Money as Convertible long term loan carrying interest @ 9 % from October 01, 2008.

After conversion of part of said long term to the tune of TRs. 325,607 into equity shares in BSS leaving the balance of 5,230,381 Euro outstanding as Loan.

6. a) Loans from banks include TRs. 81,862 (Previous year TRs. Nil) for which bank statements and certificate of conformations are not available.

The Company has submitted restructuring proposals to the Bank and is negotiating with Banks for the restructuring of its dues and settlement thereof. The Company has received in-principle approval of restructuring proposal submitted to one of the Bankers which includes inter alia with other conditions, the waiver of all unpaid interest. The Company is hopeful of getting through with its restructuring proposals with other Bankers also. In view of above, provision for Interest and Penal Charges on loans from banks has not been made in the books of account. However, the Company has shown such interest amounting to TRs. 102,840 (Previous year TRs. Nil) as Contingent Liability.

b) Balance with banks includes TRs. 9,501 (Previous year TRs. 9,584) and TRs. 9,565 (Previous year TRs. 12,197) for which bank statements and certificate of confirmation respectively from the bankers remained to be received. Consequently the accounts could not be reconciled.

7. Inventories include slow moving / non- moving stores and spares having an aggregate value of TRs. 50,286 (Previous Year TRs. 50,286). No provision for the fall in

value has been considered necessary by the management keeping in view the nature and type of items and the needs of the customer.

8. a) The Company was awarded a large order in respect of Convergent Billing Project of MTNL by Bharat Electronics Ltd. (BEL) in March 2006 comprising Supplies and Services which, inter – alia, included Installation and Commissioning, Facility Management, Print Bureau and AMC.

The Company had, during 2006-07, completed the entire Supply portion of the said order. However, there were certain delays in execution of the Order due to reasons beyond the control of the Company, primarily on account of delays in inspection of the goods at the OEM sites by the end customer as per the terms of the agreement, without which, the supplies could not have been shipped. In terms of the purchase order, in the event of any delay in the supply of material to MTNL, liquidated damages (LD) to the extent of 12% could be imposed by BEL on the Company, on the total supply value, if MTNL imposes LD on BEL.

As at the year end the Company has a balance of receivables from BEL amounting to TRs. 384,065 (Previous year TRs. 383,617) BEL has however not confirmed such balance. Out of the above balance, the Company has shown TRs. 266,758 (Previous year TRs. 266,758) under "Contingent Liability" on account of LD provisionally withheld by BEL.

During the year, the Company has continued and executed the work and recognized the revenue to the tune of TRs. 132,069 as per percentage completion method. As per the agreement with BEL, the dues will be collected only after achievement of certain milestones.

Considering the circumstances under which the supplies got delayed, the Company is confident of (a) obtaining a waiver of the said provisional liquidated damages from BEL and (b) certainty of recoverability of its dues. Consequently, the said dues along with other outstanding amounts are considered good and recoverable.

b) The Company is to receive sum of TRs. 47,146 (Previous year TRs. 48,673) from Alberio Telematics Pvt Ltd. (formerly known as Global IP Technologies Pvt Ltd) for supplies made to the tune of TRs. 26,827 and advances given to the tune of TRs. 20,319 in the earlier years which had become overdue. In response to the Company's claim, the party has in turn raised several issues pertaining to debits raised by them aggregating TRs. 18,319 on account of rent charges, service charges and others, which have not been responded to by the Company. The matter is under resolution and reconciliation for effecting necessary recoveries/rectification/adjustment. Effect on the accounts on due resolution / reconciliation / adjustment thereof can not be indicated at this stage.

c) Sundry Debtors (other than those mentioned in (a) & (b) above) of TRs. 1,926,132 (Previous year TRs. 1,936,721) are still outstanding. These amounts will be realized in due course of time as steps in this direction have already been taken. Accordingly no provision for non recovery of these amounts, if any, is considered necessary at this stage.

9. (a) Advances recoverable in cash or kind or for value to be received include TRs. 28,455 (Previous Year TRs. 25,557) pertaining to CENVAT (Service tax) recoverable not adjusted during the financial year 2010-11. Since the amount of service tax payable exceeds this credit available to the Company, management is confident of availing the same at the time of payment of Service Tax dues.

(b) Loans and Advances recoverable include TRs. 625,403 (Previous year TRs. 578,469) due from Subsidiary and Associate Companies. Besides the Company have investments in these companies aggregating to TRs. 724,312 (Previous Year TRs. 724,312). These subsidiaries (other than BSS) have significant accumulated losses and in some of the cases the companies are either not operating in the same segment or having negative net worth. The Company has, provided for TRs. 190,810 (Previous Year TRs. 190,810) towards likely erosion in the value of Investments. However, no such provision has been considered against the above receivables. In the management's opinion, the provision made is adequate keeping in view the long term relationship and their potential in the long run.

10. Impairment of Fixed Assets:

In accordance with the Accounting Standard (AS -28) on 'Impairment of Assets' notified by Companies (Accounting Standards) Rules, 2006, the Company has reassessed its fixed assets and is of the view that no impairment is considered to be necessary in view of its expected realisable value.

11. In compliance with Accounting Standard 22 - Accounting for Taxes on Income, the Company has recognized deferred tax assets. The breakup of deferred tax asset into major components as at March 31:

Amount TRs.

	2011	2010
Deferred Tax Assets		
Provision for Leave Encashment / Gratuity	**3,377**	3,258
Disallowances u/s 40(a) / 43B of the Income Tax Act, 1961	**16,480**	19,632
Provision for doubtful advances	**2,827**	2,827
Total	**22,684**	25,717
Deferred Tax Liability	**-**	-
Depreciation	**(7,214)**	(14,523)
Total	**(7,214)**	(14,523)
Deferred Tax Asset (Net)	**15,470**	11,194

12. **Earning per Share :**

Particulars	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Profit/(Loss) available for equity Shareholders (TRs.)	**634**	(67,017)
Weighted average number of Shares used in computing Basic earning per share	**17,170,474**	17,170,474
Add: Potential number of Equity share that could arise on exercise of conversion of ESOS.	**Nil**	Nil
Weighted average number of Shares used in computing Diluted earning per share	**17,170,474**	17,170,474
Nominal Value of equity Shares - (Rs.)	**10.00**	10.00
Basic Earning Per Share - (Rs.)	**0.04**	(3.90)
Diluted Earning Per Share - (Rs.)	**0.04**	(3.90)

13. **(a) Operating Leases**

The Company has entered into cancelable lease transactions during the current financial year mainly for leasing of office premises. Terms of lease includes terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit and Loss account amounts to TRs. 3,541 (Previous Year TRs. 3,122).

(b) Finance Leases:

The Company has taken Vehicles under Finance Lease during the earlier years.

Reconciliation of Minimum Lease Payments and their Present Value as at Balance Sheet date in accordance with Accounting Standard 19 on Leases notified by Companies (Accounting Standard) Rules, 2006:

	March 31, 2011 Amount (TRs.)	**March 31, 2010 Amount (TRs.)**
Minimum Lease Payments	**93**	738
Less: Present Value of Minimum	**91**	685
Unexpired Finance Charges	**2**	53

	Minimum Lease Payments (TRs.)	**Present Value (TRs.)**	**Minimum Lease Payments (TRs.)**	**Present Value(TRs.) Value(TRs.)**
Not later than 1 year	**93**	**91**	554	514
Later than 1 year not later than 5 years	-	-	184	171
Later than 5 years	-	-	-	-

14. **Related Party Disclosure:**

As per the Accounting Standard on "Related Party Disclosures" (AS 18) notified by Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows

(a) Related parties where control exists:

- Subsidiary Company:
  - ORG Telecom Limited
  - Unified Technologies Private Limited.
  - ORG Singapore Pte. Ltd.
  - Belgium Satellite Services S.A.
- Others:
  - Global Asia Partner LP
  - Ambalal Sarabhai Enterprise Limited.

- Six Dee Telecom Solutions Pvt. Ltd.
- GAP Infotainment Pvt Ltd
- ORG Telecom Ltd - FZE

- Other related parties:

Key Management Personnel:
- Mr. B. V. Suryakumar
- Managing Director (w.e.f. 19/08/2010)
- Mr. Manoj Gupta
- Managing Director (Upto 19/08/2010)
- Mr. Sushil Kumar
- CEO and Whole Time Director

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

(b) Significant transactions with related parties during the year:

Amount (TRs.)

Nature of Transaction	**Subsidiary**	**Other related Party**	**Key Management Personnel**	**Total**
Income				
Sale of Finished Goods	- (-)	- (-)	- (-)	- (-)
Sale of Services	- (-)	205 (281)	- (-)	205 (281)
Interest Received	**28,357** (40,783)	- (-)	- (-)	**28,357** (40,783)
Expense				
Purchase of Services	- (-)	- (-)	- (-)	- (-)
Interest on unsecured Loan	- (-)	1,662 (1,747)	- (-)	1,662 (1,747
Remuneration and Professional Fees	- (-)	- (-)	7,696 (8,428)	7,696 (8,428)
Finance				
Loans/Advances Given during the year	- (-)	- (-)	- -	- (-)
Outstanding as at March 31, 2011				
Loan Taken	- (-)	*33,567* *(32,602)*	- (-)	*33,567* *(32,602)*
Loan Given	*614,108* *(566,033)*	*11,295* *(12,436)*	- (-)	*625,403* *(578,469)*
Debtors	- (-)	4,968 (31,850)	- (-)	4,968 (31,850)

(Previous year figures are stated in brackets)

Loan and Advances in the nature of Loan	Amount (TRs.)	
Name of Subsidiary	**Closing Balance**	**Maximum Outstanding**
ORG Telecom Limited	139,868	144,680
Unified Technologies Private Limited.	64,418	64,418
ORG Singapore Pte. Ltd.	4,930	4,985
Belgium Satellite Services S.A.	404,892	404,892
Total	**614,108**	**618,975**

15. **Segment Reporting:**

Segment information for the year ended March 31, 2011.

(a) Primary segment information (by business segments)

Amount (TRs.)

Particulars	**2010-11**	**2009-10**
Segment Revenue		
a) System Integration & Services	7,004	12,671
b) Telecommunication	344,367	235,716
c) Unallocable -	-	
Total Segment Revenue	**351,371**	**248,387**
Less :Inter Segment Revenue	-	-
Net Segment Revenue	**351,371**	**248,387**
Segment Results		
Segment Results before Interest & Finance Cost		
a) System Integration & Services	(20,407)	(8,776)
b) Telecommunication	21,565	37,325
c) Unallocable	41,034	92,384
Total Segment Results	**42,192**	**120,933**
Less : Interest & Finance Cost	(31,426)	147,700
Profit/(Loss) from Ordinary Activities	10,766	(26,767)
Extra Ordinary Items (Net)	-	-
Profit / (Loss) before Tax	**10,766**	**(26,767)**
Other Information		
Segment Assets		
a) System Integration & Services	160,957	157,795
b) Telecommunication	2,351,300	2,714,846
c) Unallocable	1,481,792	1,307,825
Total Assets	**3,994,049**	**4,180,466**
Segment Liabilities		
a) System Integration & Services	120,058	20,860
b) Telecommunication	1,264,886	1,653,022
c) Unallocable -	297,968	167,691
Total Liabilities	**1,682,912**	**1,841,573**

Particulars	2010-11	2009-10
Segment Depreciation/Impairment		
a) System Integration & Services	-	-
b) Telecommunication	22,925	26,374
c) Unallocable	2,998	3,692
Total Depreciation/Impairment	**25,923**	**30,066**
Capital Expenditure		
a) System Integration & Services	-	-
b) Telecommunication	57	149
c) Unallocable -	-	
Total Capital Expenditure	**57**	**149**
Non cash expenses other than Depreciation		
a) System Integration & Services	11	165
b) Telecommunication	-	-
c) Unallocable	1,009	2,018
Total Non cash expenses other than Depreciation	**1,020**	**2,183**

(b) The Geographical segment information for current year is given below.
Sales Revenue by Geographical Market:

Particulars	2010-11	2009-10
Segment Revenue		
a) In India	351,371	248,387
b) Outside India	-	-
Total Sales	**351,371**	**248,387**
Carrying Cost of Assets by location of Assets		
a) In India	3,095,211	3,273,411
b) Outside India	898,838	907,055
Total	**3,994,049**	**4,180,466**
Addition to Assets		
a) In India	57	149
b) Outside India	-	-
Total	**57**	**149**

(c) The Company's primary business segment is reflected based on principal business activities carried on by the Company. The Company's primary business activity comprises Systems integration & Services, and Telecommunications business.

(d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

16. **Information pursuant to Part II of Schedule VI of the Companies Act, 1956:**

Particulars in respect of goods manufactured:

A. Registered / Licensed Capacities: N.A.

Installed Capacity : N.A.

Note : The industry is delicensed and hence figures are not given.

B. Details of Opening stock, Purchases, Consumption of Stores & Spares, Closing stock and Sales.

In view of multiplicity of items, the details in respect of the above could not be furnished.

C. CIF Value of Imports: NIL (Previous year NIL)

D. Expenditure in foreign currency

Particulars	TRs.
Interest	**21,630**
	(22,736)
Others	**25**
	(321)

E. *Earnings in foreign exchange*

Particulars	TRs.
Interest Income	**28,357**
	(40,783)

(Figures in brackets represent previous year numbers)

17. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding:

a) Amount due and outstanding to suppliers as at the end of accounting year;

b) Interest paid during the year;

c) Interest payable at the end of the accounting year; and

d) Interest accrued and unpaid at the end of the accounting year .

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

18. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2011.

19. Balances in parties' accounts either debit or credit are subject to confirmation. Besides, in some of the cases, balances in parties' accounts are stated to be under reconciliation. Effect on the accounts on due confirmation, reconciliations and adjustments thereof can not be indicated at this stage. Debit and Credit balances in regard to recoverable and payable has been taken as reflected in Books of Account. In the opinion of the Company Management, Loans and Advances and Current Assets if realized in ordinary course of business, have the value at which they are stated in the balance sheet.

20. **Managerial Remuneration**

Particulars Managing/Whole-time Directors	**2010-11 TRs.**	2009-10 TRs.
(i) Salaries*	3,637	5,277
(ii) Contribution to :		
Provident Fund	240	149
(iii) Medical Expenses	6	19
(iv) Leave Travel Allowances	23	75
(v) Other Perquisites	3790	495
TOTAL	**7,696**	**6,015**

* Net of Notice pay recovery TRs. 616. (Previous Year NIL.)

Note : Remuneration paid to the Whole time Director and Managing Director during the year exceeded the maximum permissible limit laid down by Schedule XIII of the Companies Act, 1956. Approval of the Central Government is yet to be obtained.

21. **Employee Benefits**

Consequent to the adoption of Accounting Standard on Employee Benefits (AS 15 Revised 2005) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made as required by the Standard:

(a) Leave Encashment/Compensated Absences

Leave encashment liability is on the basis of Defined Benefit Plan which is unfunded. A provision of TRs. 856 (TRs. 216) has been made in the accounts as on 31st March 2010 based on actuarial valuation.

(b) Contribution to Gratuity Funds

The details of the Company's Gratuity Fund for its employees including Managing Director are given below which is certified by the actuary and relied upon by the auditors:

Particulars	2010-11	2009-10
Change in the Benefit Obligations :		
Liability at the beginning of the year	10,478	10,381
Interest Cost	831	770
Current Service Cost	395	399
Benefits Paid	0	(2,032)
Actuarial (Gains)/ Loss	(1216)	960
Liability at the end of the year	**10,488**	**10,478**
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	1,723	0
Adjustment of earlier year	0	1,588
Expected Return on Plan Assets	161	149
Contributions	0	2,032
Benefits Paid	0	(2,032)
Actuarial gain/(loss) on Plan Assets	(23)	(14)
Fair Value on Plan Assets at the end of the year	1,861	1,723
Total Actuarial Loss to be recognized	**(1,193)**	**974**
Actual Return on Plan Assets :		
Expected Return on Plan Assets	161	149
Actuarial gain/(loss) on Plan Assets	(23)	(14)
Actual Return on Plan Assets	**138**	**135**
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	10,488	10,478
Fair Value of Plan Assets at the end of the year	1,861	1,723
Amount recognized in the Balance Sheet under "Provision for Retirement Benefit"	**8,627**	**8,755**
Expense Recognized in the Profit and Loss Account :		
Interest Cost	831	770
Current Service Cost	395	399
Expected Return on Plan Assets	(161)	(149)
Net Actuarial (Gain)/loss to be recognized	(1,193)	974
Expense recognized in the Profit and Loss Account under "Employee Emoluments"	**(128)**	**1,994**
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	8,755	8,793
Expense Recognized	(128)	1,994
Contribution by the Company	0	(2,032)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**8627**	**8,755**

Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at.

Principal Assumptions:

Particulars	Current Year	Previous Year
Discount Rate	7.93%	7.42%
Rate of Return on Plan Assets	9.00%	9.00%
Salary Escalation	6.00%	5.00%

22. Previous year's figures have been regrouped / rearranged, wherever necessary, to conform to current year's classification.

As per our report attached hereto :	
For Sorab S. Engineer & Co.	For and on behalf of the Board
Firm Registration No. 110417W Chartered Accountants	B.V. Suryakumar Managing Director
	Binu Mehta Director
CA Chokshi Shreyas B. Partner	Vinod Negi Company Secretary
Place : Vadodara Date : October 5, 2011	Place :Vadodara Date : October 5, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

i)	Registration No.	:	2889
ii)	State Code	:	04
iii)	Balance Sheet Date	:	31.03.2011

I. Capital raised during the year (Amount In TRs.)

i)	Public issue	:	NIL
ii)	Right issue	:	NIL
iii)	Bonus issue	:	NIL
iv)	Private placement	:	NIL
v)	Preferential issue	:	NIL

Position of Mobilisation and Deployment of Fund:
(Amount In TRs.)

i)	**Total Liabilities**	:	2,775,652
ii)	**Total Assets**	:	2,775,652
iii)	**Sources of Funds:**		
a)	Paid up Capital	:	171,705
b)	Reserves and Surplus	:	573,462
c)	Secured Loan	:	566,673
d)	Unsecured Loans	:	1,463,812
e)	Deferred Tax Liability (Net)	:	-
iv)	**Application of Funds:**		
a)	Net Fixed Assets	:	27,122
b)	Net Current Assets	:	1,735,017
c)	Investments	:	533,528
d)	Deferred Tax Assets	:	15,470
e)	Accumulated Losses	:	464,515

Performance of the Company:
(Amount In TRs.)

i)	Turnover (Total Income)	:	415,116
ii)	Total Expenditure	:	404,350
iii)	Profit/(Loss) before Tax	:	10,766
iv)	Profit/(Loss) after Tax	:	634
v)	Earning per share	:	0.04
vi)	Dividend rate	:	Nil

Generic Names of Three Principal Products/Services of the Company as per monetary terms).

I)	Item Code No. (ITC Code)	:	85242200.10
	Product Description	:	Computer Software & Software Servies.
ii)	Item Code No. (ITC Code)	:	84712002 & 84712002.10
	Product Description	:	Trading of IBM Mini Computer & Personal Computer of different make
iii)	Item Code No. (ITC Code)	:	84859000
	Product Description	:	Machinery Parts-others

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place : Vadodara
Date : October 5th, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

A. Domestic Subsidiaries

1.	Name of the Subsidiary Company	**ORG Telecom Ltd.**	**Unified Technologies Pvt. Ltd.**
2.	Financial Year of the Subsidiary Company ended on	31.03.2011	31.03.2011
3.	i) No. of shares held by ORG Informatics Ltd. and/or its nominees	737,500 equity shares of Rs.10/ each	11,314 equity shares of Rs.10 each
	ii) Extent of Holding Company's interest in the subsidiary as on 31.3.2011#	5.56%	100%
	# The Status of ORG Telecom Ltd. as subsidiary changed from U/s 4(1)(b) to 4(1)(c) of the Companies Act, 1956 by virtue of investment made by Belgium Satellite Services SA, a wholly subsidiary of ORG Informatics Ltd.		
4.	Net Aggregate amount of the Profits /losses of the subsidiary company so far as it concerns the members of ORG Informatics Ltd.	Net Loss TRs.(28,026)	Net Loss TRs.(2,919)
	a) Not dealt within the accounts of ORG Informatics Ltd.		
	i) For the subsidiary's financial year ended on 31.3.2011	N.A.	N.A.
	ii) For the previous Financial Years	N.A.	N.A.
	b) Dealt within the accounts of ORG Informatics Ltd.	**From 1st April, 2010 to 31st March, 2011**	**From 1st April, 2010 to 31st March, 2011**
	i) For the subsidiary's Financial Year ended on 31.3.2011	Net Loss TRs. (28,026)	Net Loss TRs. (2,919)
	ii) For the previous financial years	Net LossTRs. (30,445)	Net Loss TRs. (840)

B. Overseas Subsidiaries

1.	Name of the Subsidiary Company	**ORG Singapore Pte. Ltd.**	**Belgium Satellite Services S.A.**
2.	Financial Year of the Subsidiary Company ended on :	31.12.2010	31.03.2011
3.	i) No. of shares held by ORG Informatics Ltd. and/or its nominees	320,000 Equity Shares	4911500 EquityShares
	ii) Extent of Holding Company's interest in the subsidiary as on 31.03.2009	100%	100%
4.	Net Aggregate amount of the profits	Net Loss	Net Loss

	/losses of the subsidiary company so far as it concerns the members of ORG Informatics Ltd.	TRs. (1,326)	TRs.(40,267)
a)	**Not dealt within the accounts of ORG Informatics Ltd.**		
i)	For the subsidiary's financial year	N.A.	N.A.
ii)	For the Previous Financial Years	N.A.	N.A.
b)	**Dealt within the accounts of ORG Informatics Ltd.**	From 01.01.2010 to 31.12.2010	From 01.04.2010 to 31.03.2011
i)	For the subsidiary's Financial Year	Net Loss TRs. (1,326)	Net Loss TRs.(40,267)
ii)	For the previous financial year	Net Loss TRs. (3,372)	Net Loss TRs. (28,905)

For and on behalf of the Board of Directors

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Place : Vadodara,
Vadodara, 5th October, 2011

STATEMENT PURSUANT TO SECTION 212 (5) OF THE COMPANIES ACT, 1956

Name of subsidiary: **ORG Singapore Pte. Ltd**., **Singapore**

Relevant Financial year of the Subsidiary: 01-01-2010 to 31-12-2010

Relevant Financial year of the Holding Company: 1st April, 2010 to 31st March, 2011

There have been no material changes between the end of relevant Financial Year of the said subsidiary & end of Financial Year of the holding company in respect of:

i. The subsidiary's Investment.

ii. The money lent by it.

iii. The money borrowed by it for any purpose other than that of meeting current liabilities.

For and on behalf of the Board of Directors

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Place : Vadodara,
Date : 5th October, 2011

INFORMATION UNDER SECTION 212 READ WITH SECTION 219 OF THE COMPANIES ACT, 1956

(Amount in TRs.)

Name of the Subsidiary Company	**Belgium Satellite Services S.A., Belgium**	**ORG Telecom Limited, India**	**ORG Singapore Pte. Limited, Singapore**	**Unified Technologies Private Limited, India**
Reporting Currency	**EURO**	**INR**	**SGD**	**INR**
Exchange Rate	**Euro 1=Rs. 63.35**		**SGD1=Rs.35.38**	
Capital	311,143	7,375	12,790	113
Reserves	NIL	20,921	(3,083)	3,058
Total Assets	999,874	305,433	6,828	5,996
Total Liabilities	999,874	305,433	6,828	5,996
Turnover	1,272,675	10,435	3	2,191
Profit before Taxation	(40,267)	(25,894)	(1,326)	(2,919)
Provision for Taxation	NIL	NIL	NIL	NIL
Prior Period Adjustment	NIL	2,132	NIL	NIL
Profit after Taxation	(40,267)	(28,026)	(1,326)	(2,919)
Proposed Dividend	NIL	NIL	NIL	NIL

Notes:

1) The Company hereby undertakes that Annual Accounts of the above said Subsidiary Companies and related information will be made available to the holding and subsidiary Company's investors seeking such information at any point of time.

2) The Annual Accounts of the above said Subsidiary Companies are ready for inspection by any investors in the head office of the Company and that of the Subsidiary's office.

Certified that the above statement is in accordance with the direction issued by Central Government under section 212 (8) of the Companies Act, 1956.

For and on behalf of the Board of Directors

B.V. Suryakumar	Binu Mehta
Managing Director	Director

Place : Vadodara
Date : October 5th, 2011

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ORG INFORMATICS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORG INFORMATICS LIMITED AND ITS SUBSIDIARIES.

1. We have examined the attached Consolidated Balance Sheet of ORG Informatics Limited and its subsidiaries ("ORG Group") as at 31st March 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

2. These consolidated 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. We have conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 statements. We believe that our audit provides a reasonable basis for our opinion.

3. (a) We did not audit the financial statements of one Foreign Subsidiary and two Indian Subsidiaries whose financial statements reflect (before giving effect to the consolidation adjustments) total Assets of TRs. 997,909 and TRs 192,240 respectively as at 31st March 2011 and total Revenue of TRs. 1,245,688 and TRs 11,898 respectively for the year then ended. These Financial Statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amount included in respect of these subsidiaries, is based solely on the report of the other auditors.

   (b) We did not audit the financial statements of one foreign Subsidiary whose financial statements reflect (before giving effect to the consolidation adjustments) total Assets of TRs. 6,479 as at 31st December 2010 and total Revenue of TRs. 3 for the year then ended. These Financial Statements for the year then ended were prepared by the management. The same has been considered for the purpose of consolidation and accepted as correct by us. Any adjustment to their balances on completion of audit could have consequential effect on the attached Consolidated Financial Statements.

4. *The financial statements have been prepared on going concern basis, despite significant losses suffered during the year in ORG Informatics Limited, substantial contingent liabilities not provided for (Refer Note Nos. 1(a), (b), (c), (d)), legal cases filed by some of the suppliers against the Company and its officials under section 138 of the Negotiable Instruments Act, 1881 (Refer Note No. 2(a)), restriction imposed on a major customer by court, on vendor's request, from making any payment to the Company (Refer Note No 2(c)), causing severe cash crunch, which had in turn resulted in defaults in payment of statutory liabilities / non compliance of statutory requirements/ loss of key management personnel / staff and considerable scaling down of operations. The Company's ability to continue as a going concern is dependent upon satisfactory resolution of the above matters besides steps being taken by management to provide / arrange for significant additional funds.*

5. *Attention is invited to the following:*

   i. *We are unable to opine on the realisability of non moving stock of Stores and Spares of TRs 50,286 not provided by the management for reasons stated in Note No.8.*

   ii. *We are unable to opine on recoverability / realisability of old outstanding of Sundry Debtors aggregating to TRs 2,332,056 which may not be recoverable and which are not appropriately evidenced with correspondence statement of accounts, unconfirmed, unreconciled and against which no material recoveries have been made till date of completion of audit. No provision has been made for such receivables as the management considers them as good for recovery.*

   iii. *For bank balance, Bank Balance confirmations to the tune of TRs. 9,565 are not available.*

   iv. *We are unable to opine on recoverability / realisability of old outstanding in respect of (a) advances of TRs. 20,319 given to other company (b) TRs 28,080 advance given to Vendors and (c) TRs 6,593 receivable in respect of Tender Deposit given which are not appropriately evidenced with correspondence statement of accounts, unconfirmed, unreconciled and against which no material recoveries have been made till date of completion of audit. No provision has been made for such receivables as the management considers them as good for recovery*

   v. *In the absence of detailed workings, convincing evidence and legal consultants' opinion on the availability of TRs 37,419 in respect of CENVAT credit for set off in the future, we are unable to comment on the appropriateness of carry forward of the CENVAT recoverable.*

   vi. *In respect of guarantee of TRs 25,000 invoked by MPSEDC during the year, the management has claimed that the amount is good of recovery since the matter was sub judice and now the company is being Judgment creditor, the management's claim remains to be substantiated by the Order passed by the Court of appropriate jurisdiction. The*

Company has made the claim of said amount with the MPSEDC for wrongful invocation of the guarantee. We are unable to opine on the recoverability or otherwise of the amount shown under Loans and Advances.

vii. We are unable to opine on collectability of dues in respect of revenue booked in respect of MTNL contract from BEL to the tune of TRs. 132,069 which are dependent on achievement of certain milestones.

viii. In respect of Managerial Remuneration paid during the year to Managing and Whole time Director of TRs. 7,696, (Previous year TRs. 6,015), Shareholders' approval was taken in Annual General Meeting held on 29-12-2009 and 30.9.2010. However, No approval from Central Government is obtained for reason stated in Note No 17.

ix. No Provision has been made for :

a. Impairment loss of Fixed Assets for reasons stated in Note No. 9.

b. Invocation of bank guarantees given in respect of various projects undertaken by the Company to the extent of TRs 251,708 and consequential penalties subsequent to the close of the year.

c. Interest and commission of TRs 64,145, payable, in terms of agreements, to the vendors (shown as contingent liability).

d. Bank and Other Charges of TRs 19,470 paid to one of the vendors (shown as contingent liability).

e. Implementation, service / warranty charges aggregating to TRs 30,582 (shown as contingent liability).

f. Liquidated Damages / penalty payable to customers for delays in performance / non compliance of some of the contractual Terms and conditions aggregating to TRs 448,736 (shown as contingent liability).

g. Interest and Penal charges on bank loans aggregating to TRs. 102,840 for the reasons stated in Note No. 5 (shown as Contingent liability).

h. Penalty and other charges which may be imposed by (a) the various Statuary/Regulatory Authorities on account of non compliance of the provisions of the various statutes including none payment of statutory dues and filing of periodic returns. (b) the Court, with respect to the cases filed by the parties against Company's officials (including some past officials) under sections 138 and 143 of the Negotiable Instruments Act, 1881, on account of dishonor of post dated cheques issued to them.

Due to uncertainty involved, the impact of the above on the loss for the year is presently unascertainable.

6. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements and Accounting for Investments in Subsidiaries in Separate Financial Statements' notified by Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the ORG Group included in the consolidated financial statements.

7. On the basis of the information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of the ORG Group, we are of the opinion that :

(a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the ORG Group as at 31st March, 2011;

(b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the ORG Group for the year then ended and

(c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the ORG Group for the year then ended.

For Sorab S. Engineer & Co.
Firm Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No.100892

Place : Vadodara
Date : October 5th, 2011

ORG Informatics Limited

Consolidated Balance Sheet as at March 31, 2011

	Schedule No.	As at March 31, 2011 Amount (Rs. In '000)	As at March 31, 2010 Amount (Rs. In '000)
Shareholders Funds			
Share Capital	1	171,705	171,705
Reserves & Surplus	2	574,506	622,965
		746,211	794,670
Loan Funds			
Secured Loans	3	566,673	506,682
Unsecured Loans	4	1,594,919	1,691,191
		2,161,592	2,197,873
Total		2,907,803	2,992,543
Application of Funds			
Fixed Assets	5		
Gross Block		1,251,127	1,243,367
Less: Depreciation / Amortisation		466,048	351,508
Net Block		785,079	891,859
Capital Work In Progress (Including Capital Advances)		8,058	8,058
Investments	6	56,130	54,250
Deferred Tax Asset		15,470	11,194
(Refer Note B - 10 of Schedule 22)			
Current Assets, Loans and Advances			
Inventories	7	87,334	168,873
Sundry Debtors	8	2,543,226	2,800,183
Cash and Bank Balances	9	358,413	291,945
Other Current Assets	10	185,028	27,830
Loans and Advances	11	180,962	214,521
		3,354,963	3,503,352
Less: Current Liabilities and Provisions	12		
Current Liabilities		1,848,235	1,989,554
Provisions		132,154	105,550
		1,980,389	2,095,104
Net Current Assets		1,374,574	1,408,248
Profit and Loss account	13	668,492	618,934
Total		2,907,803	2,992,543
Significant Accounting Policies and Notes to the Financial Statements	22		

As per our report of even date attached

For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place :Vadodara
Date : October 5th, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedule No.	Year ended March 31, 2011 Amount (Rs. In '000)	Year ended March 31, 2010 Amount (Rs. In '000)
INCOME			
Revenue from operations	14	**1,608,581**	2,025,488
Other Income	15	**49,348**	105,276
Total (A)		**1,657,929**	2,130,764
EXPENDITURE			
Consumption of Material / Cost of Goods sold	16	**170,162**	155,766
Purchase of Bandwidth		**1,082,366**	1,443,505
Stores and Spares Consumed	17	**489**	4,402
Project Service Expenses	18	**122,749**	616
Personnel Costs	19	**131,292**	131,914
Administrative and Other expenses	20	**38,729**	62,887
Interest and Finance Charges	21	**41,718**	166,294
Provision Diminishing in the Value of Stock		**-**	136,872
Depreciation/Amortisation	5	**115,019**	120,908
Total (B)		**1,702,524**	2,223,164
Loss before Tax (A-B)		**(44,595)**	(92,400)
Less: Provision for taxation			
Current Tax		**14,408**	-
Deferred Tax (Net)		**(4,276)**	38,160
Net Loss after Tax		**(54,727)**	(130,560)
Less : Trasferred to Bond Redemption Reserve		**634**	-
Balance as per last Balance Sheet		**(618,934)**	(488,374)
Balance carried to the Balance Sheet	13	**(674,295)**	(618,934)
Earning per share (Refer Note 11 of Schedule 22)			
- Basic		(3.19)	(7.60)
- Diluted		(3.19)	(7.60)
Significant Accounting Policies and Notes to the Financial Statements	22		

As per our report of even date attached
For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place :Vadodara
Date : October 5th, 2011

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

			As at March 31, 2011 Amount (Rs. In '000)		As at March 31, 2010 Amount (Rs. In '000)
1	**Share Capital**				
	Authorised:				
	27,000,000 (Previous year 27,000,000) Equity Shares of Rs.10/-each		**270,000**		270,000
	Issued, subscribed and paid up:				
	17,170,474 (Previous year 17,170,474) Equity Shares of Rs.10/- each fully paid up (Refer Note B - 3 of Sechedule 22)		**171,705**		171,705
	Of the above:				
	9,492,554 (Previous Year 9,492,554 Equity Shares of Face Value of Rs.10 each) are issued and alloted pursuant to contracts for consideration other than cash.		**171,705**		171,705
2	**Reserves and Surplus**				
	Capital Reserve:				
	Balance as per last Balance Sheet		**3,780**		3,780
	Bond Redemption Reserve:				
	Balance as per last Balance Sheet	**31,976**		31,976	
	Add:				
	Transferred from Profit & Loss Account	**634**	**32,610**	-	31,976
	(Refer Note B - 4 of Schedule 22)				
	Subsidy				
	Balance as per Last Balance Sheet	**16,155**		-	
	Add: Received during the Year	**-**		16,155	
	Less: Income Recognised	**1,388**		-	
			14,767		16,155
	Securities Premium Account:				
	Balance as per Last Balance Sheet	**564,788**		602,199	
	Less: Premium on Redemption of FCCB	**27,652**	**537,136**	37,411	564,788
	(Refer Note B - 4 of Schedule 22)				
	Employee Stock Options Outstanding:				
	Balance as per Last Balance Sheet	**9,626**		19,460	
	Less: Transferred to General Reserve	**5,803**		-	
	Less: Reversal due to lapse of options	**-**		9,834	
	(A)	**3,823**		9,626	
	Deferred Employee Compensation Expense:				
	Balance as per Last Balance Sheet	**1,009**		8,128	
	Less: Reversals due to lapse of options	**-**		5,101	
	Less: Transferred to profit & loss Account	**1,009**		2,018	
	(B)	**-**		1,009	
	(A)-(B)		**3,823**		8,617
	Exchange Fluctuation Reserve		**(17,610)**		(2,351)
	General Reserve:				
	Transferred from Employee Stock Option Outstanding	**5,803**		-	
	Less: Adjusted against Profit & loss Account	**5,803**	**-**	-	-
			574,506		**622,965**

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

			As at March 31, 2011 Amount (Rs. In '000)		As at March 31, 2010 Amount (Rs. In '000)
3	**Secured Loans**				
	From Banks: (Refer Note B - 5(a) of Schedule 22)				
	Cash Credit / Working capital Demand loans:		**536,486**		475,918
	Interest Accrued and Due on above		**30,096**		30,096
	(Secured against pledge of Fixed Deposits,hypothecation of stock of Raw Materials, Work in Progress, Stores and Spares, Finished Goods and all other current assets of the Company besides collateral security of movable Fixed assets.)				
	Vehicle Loans:				
	From Banks:		**91**		668
	(Secured against hypothecation of related vehicles)				
			566,673		506,682
4	**Unsecured Loans**				
	Short Term Loans & Advances				
	From Banks (Refer Note B - 5(a) of Schedule 22)	**199,648**		218,325	
	Interest Due	**20,863**	**220,511**	20,863	239,188
	Other Loans & Advances				
	From Shareholders	**28,303**		28,614	
	Interest accrued and due	**5,264**	**33,567**	7,202	35,816
	From Others	**645,016**		693,947	
	Interest accrued and due	**3,750**	**648,766**	-	693,947
	155 (Previous Year 160) 2.5% Foreign Currency Convertible Bonds of face value US $ 100,000 each (Refer Note B - 4 in shedule 22)		**692,075**		722,240
			1,594,919		1,691,191
6	**Investments - Non Trade, Unquoted (At Cost)**				
(A)	**Long Term Investment:**				
	Alberio Singapore Pte. Limited 562,500 (Previous Year 562,500) Ordinary Shares of singapore $ 0.01 each fully paid up		**13,814**		13,814
	Smart Broadband Services Private Limited 2,600 (Previous Year 2,600) Ordinary Shares of Rs.10 each fully paid up		**26**		26
			13,840		13,840
(B)	**Current Investment:**				
	LIC Mutual Fund		**37**		37
	Compte BNP		**42,253**		40,373
			42,290		40,410
	Total Investment (A+B)		**56,130**		54,250
7	**Inventories**				
	(As taken, valued and certified by the Management)				
	Stores and spares (Refer Note B - 8 of Schedule 22)		**50,286**		50,286
	Project / Contracts in progress		**37,048**		107,945
	Stock in Progress		**-**		10,642
			87,334		168,873

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

Schedule 5 - Fixed Assets

Amount (Rs. In '000)

Particulars during	GROSS BLOCK AT COST					DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions during the year	Impairment	Deletions	As at 31.03.2011	As at 01.04.2010	Addition	Deletion during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
A. Goodwill on Consolidation	316,648			-	**316,648**					**316,648**	316,648
TOTAL (A)	**316,648**	-	-	-	**316,648**	-	-	-	-	**316,648**	316,648
B. TANGIBLE FIXED ASSETS											
(I) OWNED											
Land and Building	131,593	2,380		-	**133,973**	10,247	3,560	-	**13,807**	**120,166**	121,346
Plant and Machinery	34,619			93	**34,526**	25,398	3,280	-	**28,678**	**5,848**	9,221
Furniture Fixture and Computers	185,422	6,032		134	**191,320**	50,768	21,417	61	**72,124**	**119,196**	134,654
Vehicles	1,436	-	-	-	**1,436**	1,171	49		**1,220**	**216**	265
(II) LEASED											
Vehicles	1,525			425	**1,100**	638	232	418	**452**	**648**	887
TOTAL (B)	**354,595**	**8,412**	-	**652**	**362,355**	**88,222**	**28,538**	**479**	**116,281**	**246,074**	266,373
C. INTANGIBLE FIXED ASSETS											
Intangible Assets	399,105				**399,105**	137,583	56,118	-	**193,701**	**205,404**	261,522
Technical Know-how	3,958	-			**3,958**	3,958	-		**3,958**	-	-
Softwares	169,061	-		-	**169,061**	121,745	30,363	-	**152,108**	**16,953**	47,316
TOTAL (C)	**572,124**	-	-	-	**572,124**	**263,286**	**86,481**	-	**349,767**	**222,357**	308,838
TOTAL (A+B+C)	**1,243,367**	**8,412**	-	**652**	**1,251,127**	**351,508**	**115,019**	**479**	**466,048**	**785,079**	891,859
PREVIOUS YEAR	1,216,203	33,820	-	6,656	1,243,367	233,501	120,908	2,901	351,508		
Capital Work in Progress (Including Capital Advances)										**8,058**	8,058
										793,137	899,917

Deduction in Plant & Machinery is on account of Exchange Difference capitalised during the year. (Previous year TRs. 912)

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

		As at March 31, 2011 Amount (Rs. In '000)	As at March 31, 2010 Amount (Rs. In '000)
8	**Sundry Debtors**		
	(Refer Note B - 6 of Schedule 22)		
	(Unsecured, considered good unless otherwise stated)		
	Debts outstanding for a period exceeding six months		
	-Considered Good	**2,463,627**	2,577,933
	-Considered Doubtful	**232,280**	220,399
		2,695,907	2,798,332
	Less: Provision for Doubtful	**231,910**	220,399
		2,463,997	2,577,933
	Other Debts	**79,229**	222,250
		2,543,226	2,800,183
9	**Cash and Bank Balances**		
	Cash and cheques in hand	**37**	58
	Balances with scheduled banks		
	(Refer Note B - 5 (b) of Schedule 22)		
	- in Current Accounts	**11,390**	7,457
	- in Foreign Currency Accounts	**9,439**	9,490
	- in Fixed Deposits Accounts		
	-Pledged with banks against Secured Loans	**111,251**	102,150
	-Pledged with Court and Government Authorities	**2,161**	-
	- in Margin Money Deposit Accounts		
	(Deposits under Bank lien for issue of Bank Gurantee)	**41,655**	40,980
	With Banks outside India	**182,480**	131,810
	(In books of Foreign Subsidiaries)		
		358,413	**291,945**
10	**Other Current Assets**		
	Interest Accrued	**4,820**	2,231
	Other Receivable	**48,139**	25,599
	Income Receivable		
	(Refer Note B - 6 (a) of Schedule 22)	**132,069**	-
		185,028	27,830
11	**Loans and Advances**		
	(Unsecured, considered good unless otherwise stated)		
	Advances to Suppliers	**31,991**	34,798
	Advance recoverable in cash or kind or for value to be received		
	-Considered Good (Refer Note B - 7 of Schedule 22)	**94,128**	120,340
	-Considered doubtful	**-**	-
		94,128	120,340
	Less: Provision for doubtful advances	**-**	-
		94,128	120,340
	Other loans & advances	**10,096**	-
	Advance Taxes Paid (Net of Provision for Taxation)	**44,747**	59,383
		180,962	**214,521**
12	**Current Liabilities and Provisions**		
	Current Liabilities		
	Sundry Creditors (Refer Note B - 15 of Schedule 22)	**1,064,754**	1,371,151
	Advances from customers	**246,416**	229,694
	Other Current Liabilities	**537,065**	388,709
		1,848,235	1,989,554
	Provisions		
	Provision for FBT	**-**	803
	Provision for Gratuity	**9,881**	10,621
	Provision for Leave Encashment	**1,782**	1,287
	Provision for Premium on Redemption of FCCB	**120,491**	92,839
	(Refer Note B - 4 in Shedule 22)		
		132,154	105,550

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

		As at March 31, 2011 Amount (Rs. In '000)	As at March 31, 2010 Amount (Rs. In '000)
13	**Profit & loss Account**		
	Balance as per Profit and Loss Account	**674,295**	618,934
	Less: Adjusted against General Reserve	**5,803**	-
		668,492	618,934

Schedules forming part of Consolidated Profit & Loss Account of ORG Informatics Ltd. for the year ended March 31, 2011

			Year ended March 31, 2011 Amount (Rs. In '000)	Year ended March 31, 2010 Amount (Rs. In '000)
14	**Revenue from Operations**			
	Project Revenue (Refer Note B - 6 (a) of Schedule 22)		**341,578**	49,999
	Revenue from Trading		**2,143**	6,617
	Sale of Software Services		**2,192**	5,731
	Sale of Bandwidth		**1,244,952**	1,745,333
	Sale of Services		**17,716**	217,808
			1,608,581	2,025,488
15	**Other Income**			
	Miscellaneous Income		**819**	14,756
	Subsidy Income		**1,388**	-
	Reduction in Liability of FCCBonds		**13,143**	-
	Sundry Credit balance written off		**4,569**	-
	Profit on sale of Assets (Net)		**58**	-
	Provision for Bad Debt (Written back)		**371**	-
	Foreign Exchange Gain \ (loss)		**21,884**	66,849
	Interest on Fixed Deposits / Margin Deposits			
	(Tax deducted at source TRs.298, Previous year TRs. 1,055)	**7,116**		23,671
	Interest received from others	**-**		-
			7,116	23,671
			49,348	105,276
16	**Consumption of Material/ Cost of Goods sold**			
	Opening Stock:			
	Project in Progress		**107,945**	166,843
	Trade Goods		**-**	952
			107,945	167,795
	Add: Purchases - Project Related		**87,098**	95,916
	- Traded Goods		**1,525**	-
			88,623	95,916
		A	**196,568**	263,711
	Less: Closing Stock			
	Project in Progress		**26,406**	107,945
	Trade Goods		**-**	-
		B	**26,406**	107,945
		Total (A-B)	**170,162**	155,766

Schedules forming part of Consolidated Profit and Loss Account for the year ended March 31, 2011

			Year ended March 31, 2011 Amount (Rs. In '000)	Year ended March 31, 2010 Amount (Rs. In '000)
17	**Stores and Spares Consumed**			
	Opening Stock		**50,286**	50,286
	Add: Purchase		**489**	4,402
			50,775	54,688
	Less: Closing Stock		**50,286**	50,286
			489	4,402
18	**Project Service Expenses**			
	Project Expenses		**122,749**	616
			122,749	**616**
19	**Personnel Costs** (Refer Note B - 17 of Schedule 22)			
	Salaries, Wages and Bonus		**103,759**	125,388
	Contribution to Statutory and Other Funds and Provision for Retirement Benefits		**20,942**	3,597
	Employee Stock Compensation Expense		**1,009**	2,018
	Staff Welfare Expenses		**5,582**	911
			131,292	131,914
20	**Administrative and Other Expenses**			
	Electricity Expenses		**1,040**	1,011
	Service Charges		**7,427**	14,251
	Rent and Hire Charges		**4,468**	4,101
	Insurance		**201**	2,830
	Rates and Taxes		**7,576**	620
	Repairs and maintenance			
	- Others		**444**	545
	Communication expenses		**1,555**	2,746
	Legal and Professional Charges		**7,500**	7,591
	Printing and stationery		**281**	420
	Travelling and Conveyance		**2,364**	3,918
	Advertisement		**8**	193
	Auditors' remuneration - (Including Service Tax)			
	- As Auditors		**541**	655
	- Certification Fees		**-**	-
	- Out of Pocket Expenses		**-**	-
	Selling and Distribution Expenses		**-**	67
	Directors Sitting Fees		**99**	156
	Bad Debts written off		**3,961**	165
	Loss on Sale of Fixed Assets		**11**	139
	Sundry debit balances written off		**11**	2,228
	Penalies/ Liquidated Damages		**40**	11,326
	Miscellaneous Expenses		**1,202**	9,713
	Custom duty		**-**	212
			38,729	62,887
21	**Interest and Finance Charges**			
	Bank Charges		**10,722**	10,860
	Interest on Bank Loans	**8,089**		95,220
	Interest on External Commercial Borrowing	**-**		14,467
	Interest-others	**22,907**		45,747
			30,996	155,434
			41,718	166,294

Consolidated Cash flow statement for the Year ended March 31, 2011

		Year ended March 31, 2011		Year ended March 31, 2010	
		Amount (Rs.'000)	Amount (Rs.'000)	Amount (Rs.'000)	Amount (Rs.'000)
A	**Cash flow from operating activities :**				
	Net Profit/(Loss) before tax, Prior period adjustment		**(44,595)**		(92,400)
	Adjustments for :				
	Depreciation/Amortisation	**115,019**		120,908	
	Unrealised Foreign Exchange (Gain)/Loss	**(21,884)**		(66,849)	
	Loss/(Profit) on Sale of Asset	**(47)**		139	
	Employee Stock Compensation Expense	**1,009**		2,018	
	Employee Stock Outstanding	**-**		(4,733)	
	Reduction in Liability of FCCB Bonds	**(13,143)**		-	
	Provision for Diminution in value of Stock	-		136,872	
	Sundry debit balances written back	**(371)**		-	
	Subsidy income recognized	**(1,388)**		-	
	Sundry credit balances written off	**(4,569)**		-	
	Bad Debts / Sundry debit Balance Written off	**3,972**		2,393	
	Exchange Fluctuation Reserve	**(15,259)**		35,180	
	Interest Income	**(7,116)**		(23,671)	
	Interest Expense	**30,996**		155,434	
			87,219		357,691
	Operating Profit before working capital changes		**42,624**		265,291
	Adjustments for :				
	Trade and other receivables	**97,406**		751,637	
	Inventories	**81,539**		(77,022)	
	Trade Payables and other liabilities	**(137,912)**		(878,255)	
			41,033		(203,640)
			83,657		61,651
	Direct taxes Paid	**(575)**		(70,046)	
			(575)		(70,046)
	Net cash generated from operating activities		**83,082**		(8,395)
B	**Cash flow from investing activities :**				
	Purchase of Fixed assets	**(8,412)**		(33,820)	
	Sale of Fixed assets	**220**		2,704	
	Purchase of Investments	**(1,880)**		-	
	Interest received	**4,527**		23,161	
	Changes in Loans and Advances	**35,276**		37,521	
	Subsidy received	**-**		16,155	
	Sale / Redemption of Investments	**-**		7,810	
	Net cash used in investing activities		**29,731**		53,531

		Year ended March 31, 2011		Year ended March 31, 2010	
		Amount (Rs.'000)	**Amount (Rs.'000)**	Amount (Rs.'000)	Amount (Rs.'000)
C	**Cash flow from financing activities**				
	Increase in Share capital	**-**		-	
	Interest paid	**(29,184)**		(115,139)	
	FCCB	**(9,469)**		-	
	Net Proceeds from borrowings	**(7,928)**		73,043	
	Net cash generated from financing activities		**(46,581)**		(42,096)
D	**Net Increase in cash and cash equivalents (A+B+C)**		**66,232**		3,040
E	**Cash and cash equivalents at the beginning of the year**		**282,601**		279,561
F	**Cash and cash equivalents at the close of the year (D + E)**		**348,833**		282,601

Note :

1) The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard - 3 on Cash Flow Statement notified by Companies (Accounting Standards) Rules, 2006.

2) Cash and Cash equivalents included in the cash flow statement comprise the following items

	As at March 31st, 2011	As at March 31st, 2010
Cash on Hand	**37**	58
Balances with banks **	**358,376**	291,887
Unrealised Exchange (Gain) / Loss	**(9,580)**	(9,344)
Cash and Cash equivalents as restated	**348,833**	**282,601**

3) ** Includes TRs 41,808 (Previous Year TRs. 41,133) in Margin Money accounts with the banks against guarantees issued.

For Significant Accounting Policies and Notes to Accounts to the Financial Statements refer Schedule 22.

As per our report of even date attached
For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place : Vadodara
Date : October 5th, 2011

Schedule 22

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2011.

A. Significant Accounting Policies

1. *Basis of Consolidation*:

a. Basis of preparation:

The consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements notified by Companies (Accounting Standard) Rules, 2006. Reference in these notes to Company, Parent Company, Companies or Group shall mean to include ORG Informatics Limited or any of its subsidiaries, unless otherwise stated.

b. Principles of consolidation:

The consolidated financial statements comprise of the Financial Statements of ORG Informatics Limited and its subsidiaries. The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effect of inter company transactions are eliminated on consolidation.

c. Goodwill / Capital Reserve on Consolidation:

Goodwill represents the difference between the company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill. Goodwill is not amortised, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.

d. Companies included in consolidation:

Name of Subsidiaries	Country of Incorporation	Year/Period in which included in Consolidation	Proportion of Ownership Interest
Belgium Satellite Services S.A.	Belgium	April 1, 2010 to March 31, 2011	100%
ORG Telecom Limited (Sub-Subsidiary)	India	April 1, 2010 to March 31, 2011	100%
ORG Singapore Pte Limited	Singapore	January 1, 2010 to December 31, 2010	100%
Unified Technologies Private Limited	India	April 1, 2010 to March 31, 2011	100%

2. *Basis of Accounting*

The financial statements of the Company have been prepared under historical cost convention on accrual basis of accounting in accordance with Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and as per provisions of Companies Act 1956.

3. *Use of Estimates*

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

4. *Fixed Assets and Depreciation*

- Fixed assets are stated at cost less accumulated depreciation thereon. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.
- Exchange rate gain or loss on foreign currency loans related to acquisition of depreciable assets is being capitalized.
- Depreciation is provided on the straight-line method basis, except in the case of Vehicles, where the written down value method is used. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate. Pursuant to this policy depreciation on plant and machinery has been provided @ 5.15%, which is higher than the corresponding rates prescribed under schedule XIV to the Companies Act, 1956.
- Depreciation of Fixed Assets of ORG Telecom Limited, ORG Singapore Pte Limited, Unified Technologies (Pvt) Limited and Belgium Satellite Services S.A. (BSS) , 100% subsidiaries of group is provided on straight line method so as to depreciate the asset over to useful life.

5. Impairment of Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

6. Intangible Assets

Intangible assets consisting of Goodwill on Amalgamation, Technical Know-how and Software are amortized over a period of five years or over the remaining useful lives determined on a subsequent review, if shorter.

7. Leases

Assets taken on finance lease are capitalized in accordance with the Accounting Standard 19 on "Leases" notified by Companies (Accounting Standard) Rules, 2006. In respect of assets taken on operating lease, the lease rentals are charged to the profit and loss account.

8. Investments

Current Investments are stated at lower of cost and net fair market value.

Long term investments are carried at cost less provision, if any, for diminution, other than temporary, in their value.

9. Inventory

Inventory is valued at lower of cost or net realizable value. Cost is computed on the following basis:

a. Stores and Spares – at monthly weighted average cost.

b. Traded goods and Equipments stock – at Weighted Average on FIFO Basis.

c. Projects / Contracts Work-in-process – at cost. Provisions are made for anticipated losses, if any, for contracts to be completed in future.

d. Finished Goods Inventories are valued at lower of Cost or Net realisable value.

10. Taxation on income

- Tax expense for the period, current tax, deferred tax and fringe benefit is included in determining the net profit/(loss) for the period.
- Deferred tax is recognized for all timing differences between the accounting income and taxable income and is quantified using the enacted / substantially enacted tax rates as at the balance sheet date.
- Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

11. Fringe benefits tax

Fringe benefits tax is computed in accordance with the provisions of the Income tax Act, 1961.

12. Software Development Expenditure

Software Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimates of the amount of the obligation can not be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

14. Staff Retirement Benefits.

i. Provident Fund

The Company's contributions towards Provident fund are charged to the Profit and Loss Account for the year.

ii. Superannuation benefits

The Company has availed of Employees Group Superannuation Scheme with the Life Insurance Corporation of India for providing pension benefits to its staff that have satisfied the criteria specified by the Company from time to time. Contribution paid to the Scheme is charged to revenue account.

iii. Gratuity benefits

The Company, except in the case of Unified Technologies (Pvt) Limited, a 100% subsidiary, which accounts for gratuity on payment basis, provides for gratuity liability on the basis of actuarial valuation at the year end in accordance with Accounting Standard 15 (revised), “Employee Benefits”.

iv. Leave encashment

The Company except in the case of Unified Technologies (Pvt) Limited, a 100% subsidiary, where such liability has not been provided for, provides for the liability towards leave encashment as per actuarial valuation obtained at the year end.

15. Share Issue Expenses

Share issue expenses are adjusted against securities premium account to the extent of balance available and the balance portion, if any, left thereafter is charged off to the profit and loss account, as incurred. Premium on redemption of FCCB is also adjusted against Securities Premium Account.

16. Prior Period / Extraordinary Items / Event Occurring after Balance Sheet Date

All prior period items, which are material and which arise in the current period as a result of ‘errors and omissions’, in the preparation of prior periods’ financial statements, are separately disclosed in the current statement of Profit and Loss. However, differences in actual income / expenditure arising out of over or under estimation in the previous period are not treated as prior period income / expenditure.

All extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the company and which are material are separately disclosed in the statement of accounts.

Assets and liabilities should be adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

17. Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

18. Revenue Recognition

Sales of products are recognized when risk and reward of ownership of products are passed on to the customers which is generally on dispatch of goods and are exclusive of sales tax.

Revenue from service contracts is accounted for when services are rendered and / or in terms of the agreement with the parties.

Revenue from projects is recognized on the proportionate completion method including in respect of turnkey project work. In accordance with this method, revenue is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution. The determination of revenue under this method involves making estimates, some of which are of technical nature, concerning, where relevant, the proportion of completion, cost of completion and expected revenues etc.

Interest on Fixed deposits / Margin deposits is recognized on accrual basis.

In Unified Technologies Private Limited,

Revenue from development contract is based on fixed price recognised on milestone achieved as per the term of specific contract revenue from software development, Contract charge on time and material basis is recognised on the basis of Billable time spend by the employees in working of the project priced on the contracted rate.

Revenue from placement services is recognized once the person is recruited and placed in the company.

19. Earning Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share notified by Companies (Accounting Standard) Rules, 2006. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

20. Foreign Currency transactions

Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rates. The difference in translation of monetary assets and liabilities are recognized in the Profit and Loss Account except that exchange difference, if any, in respect of liabilities incurred to acquire fixed assets from outside India is adjusted to the carrying amount of such fixed assets.

(Rs in '000=TRs.)

B. Notes to Accounts

1. Contingent liabilities not provided for:

   a) Bank Guarantees given in respect of projects undertaken by the company and outstanding TRs. 330,192(Previous Year TRs. 393,817).

   b) Interest and Penal Charges on Bank Borrowings TRs. 102,840 (Previous year TRs. Nil)

   c) Claims against the Company not acknowledged as debts:

      Income Tax Matters -TRs. 95,925

      (Previous year TRs. 86,721)

      Sales Tax Matters - TRs. 37,057

      (Previous year TRs. 37,057)

   d) Claims against the Company not acknowledged as debts:

      i. Other Matters (including interest charged by vendors) TRs.114,197 (Previous Year TRs 114,197)

      ii. Liquidated Damages / penalties (including amounts provisionally withheld by customers) TRs. 448,736 (Previous Year TRs 448,736)

   e) ORG Telecom Ltd. (100% Sub-Subsidiary) has given a bond for TRs. 2,000 (Previous year TRs. 2,000) to excise department for removal of excisable goods without payment of excise duty.

2. a) There are several cases which have been filed by parties/vendors against the Company and some of its past and present officials under sections 138 and 143 of The Negotiable Instruments Act, 1881 on account of dishonour of PDCs issued to them. Further the parties have claimed interest and other legal charges for which provision has not been created as the same remains to be quantified.

   b) The Madhya Pradesh State Electronic Development Corporation Ltd. (MPSEDC) had wrongfully invoked guarantee of TRs. 25,000 (Previous Year TRs. 25,000) which was submitted towards Earnest Money pertaining to the Company's bid for an upcoming project on the plea that there had been a withdrawal by one of the consortium members. This withdrawal was considered as an alteration to the bid conditions as prescribed by MPSEDC. The Company had filed a case against MPSEDC in Madhya Pradesh High Court and obtained a stay, besides an order against such appropriation, directing the Madhya Pradesh govt. to keep the money in a separate account, till further orders. Pending finality in the matter, no provision has been made for this invocation and the amount paid is carried under advances (considered good).

   c) In the case of a major contract with Telecommunications Consultants India Limited (TCIL), one of the vendors, to whom a corporate guarantee for TRs. 32,000 (Previous Year TRs. 32,000) had been given, had obtained the stay order from the Delhi High Court, directing TCIL not to make any payment to the Company till such time the vendor's liability has been settled in full. The matter is pending.

3. Employee Share –based Payment Plans:

➢ During the year ended March 31, 2011, the Company had two share –based payment arrangements, which are described below:

EMPLOYEE STOCK OPTION SCHEME

Type of arrangement	**ESOS II**	**ESOS III**
Date of Grant	August 30, 2005	September 19,2006
Number Granted	2,93,000	4,46,000
Contractual life	4 years	4 years
Vesting conditions	Vesting uniformly over a period of 4 years with effect from August 30, 2006. During the year vesting date has been changed to September 30, 2006	Vesting uniformly over a period of 4 years with effect from September 19, 2007. During the year vesting date has been changed to September 30, 2007.

- The Company follows the intrinsic value method of accounting as per Guidance Note issued by The Institute of Chartered Accountants of India on Employee Share-based Payments. As per the said method, the fair value of the share is worked out by an independent valuer on the date of grant. Accordingly, the difference between the fair value and the exercise price has been treated as Deferred Stock Compensation expenses to be amortized over the period of vesting.

- The estimated fair value (measured independently by a valuer) of each of the stock options granted viz. Employee Stock Option Scheme –II and III is Rs. 150.70 and 111.95 respectively, per share on the date of grant. The model inputs were:

	ESOS-II	**ESOS-III**
Exercise price (Original)	**Rs. 50**	**Rs. 62**
Exercise price revised during the year(In AGM held on 29.09.08, Item no. 6)	**Rs. 27**	**Rs. 27**
Expected volatility	705%	265%
Expected forfeiture percentage on each vesting date	5%	5%
Option life	1 through 5 years	1 through 5 years
Expected dividends	-	-
Risk-free interest rate	8%	8%

- Further details of the two stock option plans are as follows:

	ESOS II	**ESOS III**	**Total**
Total No. of Options under the Scheme	<u>293,000</u>	<u>446,000</u>	<u>739,000</u>
Outstanding as at 01.04.10	0	23,750	23,750
Exercisable as at 01.04.10	19,750	60,800	80,550
Options Granted during the year	0	23,750	23,750
Exercise Price (Rs.)	27	27	
Options vested during the year	0	11,250	11,250
Exercised during the year	0	0	0
Expired during the year	19,750	39,550	59,300
Options Outstanding as at 31.03.11	0	0	0
Exercisable as at 31.03.11	0	45,000	45,000

4. a) The Company had during 2007-08 issued and allotted 160, 2.5% unsecured Foreign Currency Convertible Bonds (FCCB's) of the face value of US $ 100,000 each aggregating to US $ 16 Million. As per the terms of the issue the holder has an option to convert the FCCB's into equity shares at an initial conversion price of Rs. 130.00 per share with a fixed rate of exchange on conversion of Rs. 39.33 to US $ 1 from the issue date until October 14, 2012. The conversion price is subject to certain adjustments. Further under certain conditions the bondholder has the option for early redemption in whole but not in part. Unless previously converted, redeemed or purchased and cancelled, the Company will redeem the bonds on November 14, 2012. There is a dispute between the company and Bond Trustee (Bank of New York, BoNY) regarding early redemption of Bonds for which, on the request of bondholders holding more than 25% of outstanding bonds, the Trustee has served the acceleration notice on the company.

   b) Redemption Provision (as required by AS- 29. Provision Contingent Liabilities and contingent Assets) in respect of premium payable on unsecured Foreign Currency Convertible Bonds (FCCB's) is as under:

Particulars	**2010-11 (TRs)**	**2009-10 (TRs)**
Opening Balance	92,839	55,428
Add: Provision for the year	31,539	37,411
Closing Balance	**124,378**	**92,839**

   c) During the year, the Company has transferred TRs. 634 to Bond Redemption Reserve as per section 117C of the Companies Act, 1956 to the extent of available profit.

5. a) Loans from banks include TRs. 81,862 (excluding interest and penal charges) (Previous year TRs. Nil) for which certificate of conformation is not available.

   ORG Informatics Limited has submitted restructuring proposals to the Bank and is negotiating with Banks for the restructuring of its dues and settlement thereof. The Company has received in-principle approval of restructuring proposal submitted to one of the Bankers which includes inter alia with other conditions, the waiver of all unpaid interest. The Company is hopeful of getting through with its restructuring proposals with other Bankers also. In view of above, provision for Interest and Penal Charges on loans from banks has not been made in the books of account. However, the Company has shown such interest amounting to TRs. 102,840 (Previous year TRs. Nil) as Contingent Liability.

   b) Balance with banks includes TRs. 9,501 (Previous year TRs. 9,584) and TRs. 9,565 (Previous year TRs. 12,197) for which bank statements and certificate of confirmation respectively from the bankers remained to be received. Consequently the accounts could not be reconciled.

6. a) ORG Informatics Limited was awarded a large order in respect of Convergent Billing Project of MTNL by Bharat Electronics Ltd. (BEL) in March 2006 comprising Supplies and Services which, inter – alia, included Installation and Commissioning, Facility Management, Print Bureau and AMC.

The Company had, during 2006-07, completed the entire Supply portion of the said order. However, there were certain delays in execution of the Order due to reasons beyond the control of the Company, primarily on account of delays in inspection of the goods at the OEM sites by the end customer as per the terms of the agreement, without which, the supplies could not have been shipped. In terms of the purchase order, in the event of any delay in the supply of material to MTNL, liquidated damages (LD) to the extent of 12% could be imposed by BEL on the Company, on the total supply value, if MTNL imposes LD on BEL.

As at the year end the Company has a balance of receivables from BEL amounting to TRs. 384,065 (Previous Year TRs. 383,617) BEL has however not confirmed such balance. Out of the above balance, the Company has shown TRs. 266,758 (Previous Year TRs. 266,758) under “Contingent Liability” on account of LD provisionally withheld by BEL.

During the year, the Company has continued and executed the work and recognized the revenue to the tune of TRs. 132,069 as per percentage completion method. As per the agreement with BEL, the dues will be collected only after achievement of certain milestones.

Considering the circumstances under which the supplies got delayed, the Company feels confident of obtaining a waiver of the said provisional liquidated damages from BEL and consequently the said dues along with other outstanding amounts are considered good and recoverable.

b) ORG Informatics Limited is to receive sum of TRs. 47,146 (Previous year TRs. 48,673) from Alberio Telematics Pvt Ltd. (formerly known as Global IP Technologies Pvt Ltd) for supplies made to the tune of TRs 26,827 and advances given to the tune of TRs 20,319 in the earlier years which had become overdue. In response to the Company’s claim, the party has in turn raised several issues pertaining to debits raised by them aggregating TRs. 18,319 on account of rent charges, service charges and others, which have not been responded to by the Company. The matter is under resolution and reconciliation for effecting necessary recoveries/rectification/ adjustment. Effect on the accounts on due resolution / reconciliation / adjustment thereof can not be indicated at this stage.

c) Sundry Debtors (other than those mentioned in (a) & (b) above) of TRs. 1,943,353 (Previous Year TRs. 1,952,114) are still outstanding. These amounts will be realized in due course of time as steps in this direction have already been taken. Accordingly no provision for non recovery of these amounts, if any, is considered necessary at this stage.

7. Advances recoverable in cash or kind or for value to be received include TRs. 37,419 (Previous Year TRs 34,487) pertaining to CENVAT (Service tax) recoverable not adjusted during the financial year under review. Since the amount of service tax payable exceeds this credit available to the Company, management is confident of availing the same at the time of payment of Service Tax dues.

8. Inventories include slow moving / non- moving stores and spares having an aggregate value of TRs. 50,286 (Previous Year TRs. 50,286). No provision for the fall in value has been considered necessary by the management keeping in view the nature and type of items and the needs of the customer.

9. Impairment of Fixed Assets:

In accordance with the Accounting Standard (AS - 28) on ‘Impairment of Assets’ notified by Companies (Accounting Standards) Rules, 2006, the Company has reassessed its fixed assets and is of the view that no impairment is considered to be necessary in view of its expected realisable value.

10. In compliance with Accounting Standard 22 - Accounting for Taxes on Income, the Company has recognized deferred tax asset. The breakup of deferred tax asset / liability into major components as at March 31:

Amount TRs.

	2011	2010
Deferred Tax Asset		
Provision for Leave Encashment / Gratuity	**3,377**	3,258
Disallowances u/s 40(a) / 43B of the Income Tax Act, 1961.	**16,480**	19,632
Provision for doubtful advances	**2,827**	2,827
Total	**22,684**	25,717

Deferred Tax Liability		
Depreciation	**(7,214)**	(14,523)
Total	**(7,214)**	(14,523)
Deferred Tax Asset (Net)	**15,470**	11,194

11. Earning per Share :

Particulars	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
(Loss) / Profit available for equity Shareholders (TRs.)	**(54,727)**	(130,560)
Weighted average number of Shares used in computing Basic earning per share	**17,170,474**	17,170,474
Add: Potential number of Equity share that could arise on exercise of conversion of ESOS.	**Nil**	Nil
Weighted average number of Shares used in computing Diluted earning per share	**17,170,474**	17,170,474
Nominal Value of equity Shares - (Rs.)	**10.00**	10.00
Basic Loss Per Share - (Rs.)	**(3.19)**	(7.60)
Diluted Loss Per Share - (Rs.)	**(3.19)**	(7.60)

12. (i) Operating Leases

The company has entered into cancelable lease transactions during the current financial year mainly for leasing of office premises and company leased accommodation for its employees for period up to three years (with the option to extend for a further period of six years).Terms of lease includes terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit and Loss account amounts to TRs. 3,715 (Previous Year TRs. 3,283).

(ii) Finance Leases:

The Company has taken Vehicles under Finance Lease during the year.

Reconciliation of Minimum Lease Payments and their Present Value as at Balance Sheet date in accordance with Accounting Standard 19 on Leases notified by Companies (Accounting Standard) Rules, 2006:

	March 31, 2011 Amount (TRs)	March 31, 2010 Amount (TRs)
Minimum Lease Payments	93	738
Less: Present Value of Minimum Lease payments	91	685
Unexpired Finance Charges	**2**	**53**

	Minimum Lease Payments (TRs)	Present Value (TRs)	Minimum Lease Payments (TRs)	Present Value (TRs)
Not later than 1 year	93	91	554	514
Later than 1 year not later than 5 years	-	-	184	171
Later than 5 years	-	-	-	-

13. Related Party Disclosure:

(a) Related parties where significant influence exists:

Others :
- Global Asia Partner LLP
- GAP Infortainment Private Limited
- Two Shea Consulting USA
- Ambalal Sarabhai Enterprise Limited.
- Six Dee Telecom Solutions Pvt. Ltd.
- VNT Enterprise, USA
- Infotrack Solutions Pte. Ltd.

(b) Other related parties:

Key Management Personnel:
- Mr. B.V.Suryakumar Managing Director (w.e.f. 19/08/2010)
- Mr. Sushil Kumar CEO and Whole Time Director
- Mr. Manoj Gupta Managing Director (up to19/08/2010)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

(c) Significant transactions with related parties during the year:

Amount (TRs.)

Nature of Transaction	Other related Party	Key Management Personnel	Total
Income			
Sale of Services	**205**	**-**	**205**
	(281)	(-)	(281)
Expense			
Purchase of Services	**-**	-	**-**
	(3,490)	(-)	(3,490)
Interest	***2,233***	-	***2,233***
	(2,324)	(-)	(2,324)
Remuneration and Professional Fees	-	***7,696***	***7,696***
	(-)	(8,428)	(8,428)
Finance			
Loan/Advances Taken	-	-	-
	(575)	*(1,900)*	*(2,475)*
Loans/Advances Given	-	-	-
	(6,796)	*(1900)*	*(8,696)*

(e) Outstanding as at March 31, 2011:

Amount (TRs.)

Loan Taken	***53,242***	-	***53,242***
	(51,287)	(-)	*(51,287)*
Loan Given	***21,442***	-	***21,442***
	(22,690)	(-)	*(22,690)*
Debtors	***4,968***	-	***4,968***
	(31,850)	(-)	*(31,850)*

Previous year figures are stated in brackets.(Maximum Balance given in the respective schedules.)

14. Segment Reporting:

Segment information for the year ended March 31, 2011.

(a) Primary segment information (by business segments)

Amount (TRs.)

Particulars	2010-11	2009-10
Segment Revenue		
a) System Integration & Services	7,004	12,671
b) Telecommunication	353,697	261,753
c) Software	2,192	7,019
d) Satellite Service	1,245,688	1,745,333
Total Segment Revenue	**1,608,581**	**2,026,776**
Less :Inter Segment Revenue	-	-
Net Segment Revenue	**1,608,581**	**2,026,776**
Segment Results		
Segment Results before Interest & Finance Cost		
a) System Integration & Services	(20,407)	(8,776)
b) Telecommunication	(4,984)	4,921
c) Software	(2,917)	(1,613)
d) Satellite Service	(826)	12,924
e) Unallocable	26,257	(22,783)
Total Segment Results	**(2,877)**	**(15,327)**
Less : Interest & Finance Cost	41,718	75,774

Loss from Ordinary Activities	(44,595)	(91,101)
Extra Ordinary Items (Net)	-	-
Loss before Tax	**(44,595)**	**(91,101)**
Other Information		
Segment Assets		
a) System Integration & Services	160,957	157,795
b) Telecommunication	2,431,130	2,722,589
c) Software	98,879	103,749
d) Satellite Service	863,083	855,543
e) Unallocable	665,651	630,336
Total Assets	**4,219,700**	**4,470,012**
Segment Liabilities		
a) System Integration & Services	120,058	20,860
b) Telecommunication	1,301,350	1,685,502
c) Software	10,965	11,594
d) Satellite Service	254,780	209,457
e) Unallocable	293,236	167,691
Total Liabilities	**1,980,389**	**2,095,104**
Segment Depreciation/Impairment		
a) System Integration & Services	-	-
b) Telecommunication	36,815	42,169
c) Software	1,212	1,212
d) Satellite Service	73,994	73,835
e) Unallocable	2,998	3,692
Total Depreciation/Impairment	**115,019**	**120,908**
Capital Expenditure		
a) System Integration & Services	-	-
b) Telecommunication	57	204
c) Software	-	-
d) Satellite Service	8,355	33,616
e) Unallocable	-	-
Total Capital Expenditure	**8,412**	**33,820**
Non cash expenses other than Depreciation		
a) System Integration & Services	11	165
b) Telecommunication	-	2,228
c) Software	-	-
d) Satellite Service	3,961	136,872
e) Unallocable	1,009	2,018
Total Non cash expenses other than Depreciation	**4,981**	**141,283**

(b) The Geographical segment information for current year is given below.

		Amount (TRs.)
Particulars	**2010-11**	**2009-10**
Segment Revenue		
a) In India	362,633	253,654
b) Outside India	1,245,948	1,773,122
Total Sales	**1,608,581**	**2,026,776**
Carrying Cost of Assets by location of Assets		
a) In India	3,150,039	3,329,756
b) Outside India	1,069,661	1,140,256
Total	**4,219,700**	**4,470,012**

Addition to Assets

a)	In India	57	204
b)	Outside India	8,355	33,616
Total		**8,412**	**33,820**

(c) The Company's primary business segment is reflected based on principal business activities carried on by the Company. The Company's primary business activity comprises Systems Integration & Services, Telecommunications Business, Software Business and Satellite Services.

(d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

15. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding:
    a) Amount due and outstanding to suppliers as at the end of accounting year;
    b) Interest paid during the year;
    c) Interest payable at the end of the accounting year; and
    d) Interest accrued and unpaid at the end of the accounting year have not been given.

    The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

16. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2011.

17. Managerial Remuneration

Particulars		**2010-11**	**2009-10**
Managing/Whole-time Directors			
(i)	Salaries*	3,637	5,277
(ii)	Contribution to :		
	Provident Fund	240	149
(iii)	Medical Expenses	6	19
(iv)	Leave Travel Allowances	23	75
(v)	Other Perquisites	3,790	495
	TOTAL	**7,696**	**6,015**

* Net of Notice pay recovery TRs. 616 (Previous Year Nil).

Note:

Remuneration paid to the Whole time Director and Managing Director during the year exceeded the maximum permissible limit laid down by Schedule XIII of the Companies Act, 1956. Approval of the Central Government is yet to be obtained.

18. Balances in parties' accounts either debit or credit are subject to confirmation. Besides, in some of the cases, balances in parties' accounts are stated to be under reconciliation. Effect on the accounts on due confirmation, reconciliations and adjustments thereof can not be indicated at this stage. Debit and Credit balances in regard to recoverable and payable has been taken as reflected in Books of Account. In the opinion of the Company Management, Loans and Advances and Current Assets if realized in ordinary course of business, have the value at which they are stated in the balance sheet.

19. Previous year's figures have been regrouped / rearranged, wherever necessary, to conform to current year's classification.

As per our report of even date attached hereto
For Sorab S. Engineer & Co.

Firm Registration No. 110417W
Chartered Accountants

CA Chokshi Shreyas B.
Partner

Place : Vadodara
Date : October 5th, 2011

For and on behalf of the Board

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vinod Negi
Company Secretary

Place :Vadodara
Date : October 5th, 2011

ORG INFORMATICS LIMITED

Regd. Office : 3rd Floor "Abhishek", Akshar Chowk, Old Padra Road, Vadodara - 390 020

FORM OF PROXY

I/we ....of ....in the district of ....being a member/members of the ORG Informatics Limited, hereby appoint Mr./Ms ....of ....in the district of ....or failing him/her, Mr./Mrs./Miss..of ....in the district of..and failing him/her Mr./Mrs./Miss ....of ....in the district of..................................as my/our Proxy to vote for me/us on my/our behalf at the Adjourned Annual General Meeting, 2011 of the Company to be held on Tuesday, November 01, 2011 at 11.00 A.M. at Vanijya Bhavan, Race Course, Vadodara and at any adjournment thereof.

Signed this.................................day of.....................2011

Signature. ....

Folio No. ....
DP ID..
Client ID..
No. of Shares held.....................

Affix
Re. 1/-
Revenue
Stamp

Note : This instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time of holding the meeting.

ORG INFORMATICS LIMITED

Regd. Office : 3rd Floor "Abhishek", Akshar Chowk, Old Padra Road, Vadodara - 390 020

ATTENDANCE SLIP

Please complete this attendance Slip and hand it our at the Entrance of the Hall. Only Members or their Proxies are enititled to be present at the meeting.

Name and Address of the member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my presence at the Adjourned Annual General Meeting, 2011 of the Company at Vaijya Bhavan, Race Course, Vadodara, on Tuesday, November 01, 2011 at 11.00 A.M.

Signature of the Shareholder	Signature of the Proxy

Note : 1. The copy of Annual Report may please be brought to the meeting Hall.
2. Briefcases, Hand Bags etc. are not allowed inside the Meeting Hall.

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