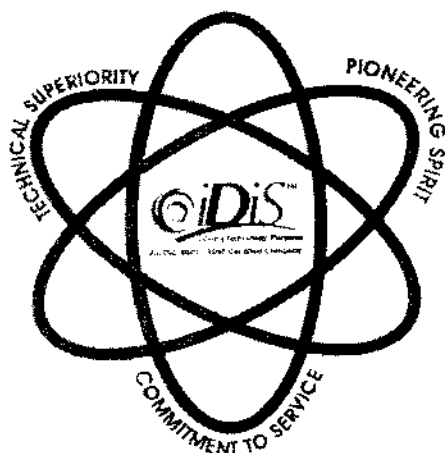


INTEGRATED DIGITAL INFO SERVICES LIMITED



11TH ANNUAL REPORT 2010

INTERGRATED DIGITAL INFO SERVICES LIMITED

11th Annual Report

Board of Directors

**Mr. C. Padmanaabhan
Mrs. Vijayam Padmanaabhan
Mr. C. P. Shriharish
Mr. C. P. Shrikrishna
Mr. K. Vasudevan
Mr. S. Gurumurthy
Mr. K. Sriraman
Mr. C. G. Ramesh Babu**

Registered Office

**Developed Plot No. 163, Dr. Vikram Sarabai
Industrial Estate, Perungudi,
Chennai – 600 096**

Auditors

**M/s. K. C. Raj Kumar & Co
Chartered Accountants
175 & 176, Level-I, IOA Complex,
No.69, Royapettah high road,
Royapettah,
Chennai – 600 014.**

Registrar & Share Transfer Agents

**CAMEO CORPORATE SERVICES LIMITED
Subramaniam Buildings,
No.1, Club House Road,
Chennai – 600 002**

Bankers

**Punjab & Sind Bank – Adyar, Chennai.
HDFC Bank, Perungudi, Chennai**

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of **Intergrated Digital Info Services Limited** will be held on Friday, 28th January 2011 at Youth Hostel, 2nd Avenue, Indira Nagar, Adayar, Chennai – 600020 at 10.30 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in the place of Mr. C.P. Shriharish who retires by rotation and is eligible for reappointment.
3. To appoint a director in the place of Ms. Vijayam Padmanabhan who retires by rotation and is eligible for reappointment.
4. To re-appoint M/s. K.C. Raj Kumar & Co, Chartered Accountants, Chennai, as Statutory Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting on such remuneration as may be decided by the Board of Directors in addition to reimbursement of out of pocket expenses.

By Order of the Board
for **Intergrated Digital Info Services Limited**

C. Padmanaabhan
Chairman & Managing Director

Place: Chennai
Date: 03.01.2011

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and a proxy need not be a member of the company.
2. The instrument appointing proxy must be sent so as to reach the Registered Office of the company not later than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 27.01.2011 to 28.01.2011 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Registered office of the Company.
5. Members/proxies should bring their attendance slips duly filled in for attending the meeting. Members are requested to bring their copy of the Annual Report to the Meeting.
6. Corporate members are requested to send a duly certified copy of the Board resolution authorising their representative to attend and vote at the Annual General Meeting.
7. Members desirous of obtaining any information / clarification concerning the accounts and operations of the Company are requested to address their queries in writing to any Director at least 10 days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
8. Members are requested to address all their correspondence including share transfer matters and change in their addresses to:

Intergrated Digital Info Services Limited
Developed Plot No. 163,
Dr. Vikram Sarabai,
Industrial Estate, Perungudi,
Chennai – 600 096
Tel: 43132380/1/2
Fax: 43132388

Cameo Corporate Service Limited
“Subramanian Building”
No.1, Club House Road,
Chennai – 600 002
Tel: 91 44 28460390
Fax: 91 44 28460129
E-mail: cameosys@satyam.net.in
WEB: www.idis.co.in

DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

Particulars	Rs. in lakhs Current Year 2009-10	Rs. in lakhs Last Year 2008-09
Income from software services	-	194.99
Sale of traded shares	-	-
Other income	-	-
Total Expenditure	41.49	155.06
Profit before Depreciation and tax	-	39.93
Less:		
Depreciation on fixed assets	168.64	278.20
Depreciation on investments	-	-
Net profit / (Loss) after tax	(210.13)	(238.27)
Add: Provision for contingencies written back	-	-
Deferred tax	-	-
Amount transferred to Reserves & Surplus	(1514.76)	(4304.63)
Paid up Equity share capital	1497.76	1497.76

DIVIDEND:

No Dividend has been recommended by the Board for the year under review.

DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review

DIRECTORS:

During the year, **Mr. C.P. Shriharish** and **Mrs. Vijayam Padmanaabhan** are retiring by rotation and have conveyed their willingness to continue as directors of the Company.

AUDITORS:

The Company's Auditors M/s. **K. C. Raj Kumar & Co.**, Chartered Accountants retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

STATUTORY INFORMATION:

Particulars of Employees

None of the employees were in receipt of remuneration in excess of the limits specified in Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975 as amended.

Conservation of energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is conscious of its commitment of constant technology absorption, conservation of energy and environmental impact of the industry.

Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 and Particulars of Foreign Exchange Earnings and Outgo

Particulars of Foreign Exchange and Outgo –

- a) Foreign Exchange Earnings -NIL
- b) Foreign Exchange Outgo - NIL

EXPLANATION TO AUDITORS' QUALIFICATIONS(S) : (IF ANY)

Explanation Regarding Overdue to TIIC and Bank of Baroda :

The company has loans which are overdue to The Tamilnadu Industrial Investment Corporation Limited (TIIC) and Bank of Baroda. The exact extent of interest up to the date of this Balance Sheet has neither been ascertained nor provided for in the books of the company. This is because the company on the one hand and TIIC and Bank of Baroda on the other have been discussing One Time Settlement and have expressed mutual keenness in bringing about a solution as per the norms of One Time Settlement laid down by the respective organizations. Your Directors are confident that a settlement will be reached during the current financial year.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. That the selected accounting policies were applied consistently and the directors 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 as at March 31, 2010 and of the loss of the Company for the year ended on that date.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

The Company has complied with the mandatory requirements of Corporate Governance as prescribed in the Listing Agreement entered into with the Stock Exchanges to the extent possible, taking into account, the operational requirements, financial position of the Company etc. A separate report on Corporate Governance along with the Auditor's Certificate on its compliance is attached as Annexure to this report.

ACKNOWLEDGEMENT:

The Board acknowledges the co-operation and support extended by the Bankers, employees, consultants and suppliers.

Place: Chennai
Date : 19.08.2010

For and on behalf of the Board


Mr. C. Padmanaabhan
Chairman & Managing Director

Additional Information on persons seeking re-appointment at the Eleventh Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

The brief resume, experience and functional expertise and the membership on the various Boards of Directors proposed to be re-appointed at Sl. Nos. 2 and 3 of the Notice as required under Clause 49 of the Listing Agreement are furnished below.

Name of the Director	Age	Date of Birth	Date of Appointment	Qualification	Experience in Specific Functional area	List of Companies in which directorship held in other companies	Share holding	Chairman / Members of the committee of the board of Companies in which he is Director
Mr. C.P. Shrinath	29	06.04.1981	20.03.2007	Joint Master's Marketing and Law	Has wide experience in the field of Marketing and Administration	Dynasty Infrastructure (India) Pvt. Ltd.	4,383,381	NIL
Ms. Vijayam Padmanabhan	53	31.07.1955	02.05.2005	B.SC	Has wide experience in the field of Administration	No	211,250	NIL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of Listing Agreement, the Management Discussion and Analysis Report are as under:

(i) Industrial structure and development or Growth and Market Trends:

Due to recession in the industry, over all marketing condition of the company finds difficult to market its products viz., Massman Genie and DMR+. However, company believes in future growth and prospectus of its products.

(ii) Opportunities and Threats:

Opportunities

In the cargo segment, the corporates have started depending on a total logistics solution rather than mere transportation. As a result, critical and scientific management techniques have to be necessarily adopted by the logistics providers, if they are to offer meaningful service to meet the increasing demands of the industry.

Threats

The market being national, our company has to gear up for national level operation in quick time. Our financial propensity to grow at national level at this time is probably the only restraint that could jeopardize the monopolistic market condition that we enjoy. Otherwise, the management is unable to perceive any other threat for either of the two product ranges.

(iv) Outlook, risks and concerns:

Outlook

The motto of the company namely the **Pioneering Spirit, Technical Superiority and Commitment to Service** have not been changed or compromised.

(v) Internal control systems and their adequacy:

The company is continued to practice of existing internal control system covering financial and operational concerns. The Advisory Board with a financial committee have been functioning efficiently has ensured that the interest of the shareholders is the prime focus.

(vi) Financial performance:

Particulars	Rs. in lakhs Current Year 2009-10	Rs. in lakhs Last Year 2008-09
Income from software services	--	194.99
Sale of traded shares	--	--
Other income	--	--
Total Expenditure	41.49	155.06
Profit before Depreciation and tax	--	39.93
Less:		
Depreciation on fixed assets	168.64	278.20
Depreciation on investments	--	--
Net profit / (Loss) after tax	(210.13)	(238.27)
Add: Provision for contingencies written back	--	--
Deferred tax	--	--
Amount transferred to Reserves & Surplus	(4514.76)	(4304.63)
Paid up Equity share capital	1497.76	1497.76

(vii) Human Assets:

The company has cordial relationship with its employees and has provided good opportunities for training and all round development.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2009-10

(As required under Clause 49 of the Listing Agreement entered into with the stock exchanges)

1. Company's Philosophy:

The Company firmly believes in and has consistently endeavored to practice good corporate governance.

The Company firmly believes in the values of transparency, professionalism and accountability in its dealings with its customers, employees, shareholders and with every individual who comes in contact with the company.

2. Board of Directors:

(1) Composition

The Board of Directors of the Company comprises 8 Directors. The composition of the Board of Directors as on 31st March 2010 and the number of other Directorships/Committee memberships held by them is as under:

S. No	Name of Director	Executive/Non Executive/ Independent	Number of other Directorships	Number of Board Committee Membership held in other Companies
1	Mr. C. Padmanaabhan	P/M. D	NILL	NILL
2	Mrs. Vijayam Padmanaabhan	P/N. E. D	1	NILL
3	Mr. C. P. Shriharish	P/N. E. D	1	NILL
4	Mr. C. P. Shrikrishna	P/E. D	2	NILL
5	Mr. K. Vasudevan	N. E. D/I. D	NILL	NILL
6	Mr. K. Sriraman	N. E. D/I. D	NILL	NILL
7	Mr. Gurumurthi	N. E. D/I. D	1	NILL
8	Mr. C. G. Ramesh Babu	N. E. D/I. D	NILL	NILL

P: Promoters; NED: Non-Executive Director; ID: Independent Director; M.D: Managing Director; ED: Executive Director

(2) Number of Board of Directors Meetings held and dates on which held

The Board of directors met **6(Six)** times during the financial year 2009-10.i.e , on, **28.04.2009, 30.05.2009, 30.06.2009, 31.07.2009, 30.10.2009, 30.01.2010.**

(3) Attendance of Board of Directors at the Board Meetings and the Annual General Meeting

Board of Directors	No of Board meetings attended	Whether attended the last AGM
Mr. C. Padmanaabhan	4	YES
Mrs. Vijayam Padmanaabhan	4	YES
Mr. C. P. Shriharish	4	YES
Mr. C. P. Shrikrishna	4	YES
Mr. K. Vasudevan	4	YES
Mr. Gurumurthi	3	YES
Mr. K. Sriraman	2	NO
Mr. C. G. Ramesh Babu	2	NO

(4) Remuneration to the Directors for the Financial Year 2009-2010

Remuneration of Managing Director and Whole-time Directors which is approved by the shareholders placed before the remuneration committee and got the approval of the committee as well.

(5) Code of Conduct for Board of Directors and senior management Personnel:

The company has adopted a Code of Conduct for Board of Directors and senior management (The Code). The Code has been communicated to directors and the members of the senior management. All board members and senior management have confirmed compliance with the code for the year ended 31st March 2010. The annual report contains a declaration to this effect signed by C.P. Shrikrishna as the compliance officer for the code.

3. **Audit Committee:**

i) Composition

The Audit Committee comprising of Mr. S. Gurumurthi, Mr. C. P. Shrikrishna & Mr. K. Vasudevan is in accordance with the provisions of Clause 49 of the Listing Agreement entered by the Company with Stock Exchanges.

The committee oversees company's financial reporting process and disclosure of financial information, internal control system, recommending appointment/ reappointment of external and internal auditors, fixation of audit fees, the scope of audit including the observations of the auditors and review the quarterly unaudited / audited, half-yearly review report and the annual financial statements. It is authorized to select and establish accounting policies, review reports of the statutory and internal auditors and meet with them to discuss their findings, suggestions and other related matters.

Mr. S. Gurumurthi is the Chairman of the Committee.

The Committee held 4 meetings during the year 2009-2010. The compliance officer of the company also attended the meetings of the Audit committee. The attendance of the members at the meetings was as under:

MEMBERS	No of meetings attended
Mr. S.Gurumurthi	2
Mr. C. P. Shrikrishna	3
Mr. K.Vasudevan	3

4. Shareholders / Investor Grievance and Share Transfer Committee:

The Committee was constituted by the Board of Directors. The functions and powers of the shareholders / investors grievance committee include review and redressal of complaints received from shareholders relating to transfer etc. The role of the committee includes power to approve transfers and transmission of shares, transposition and issue of new /duplicate share certificates.

The Committee consists of 3 directors. The composition of the Committee is under:

1. Mr. K. Sriraman
2. Mr. Gurumurthi
3. Mr. C.P. Shrikrishna

The Committee met 6 (Six) times during the financial year.

5. Remuneration committee:

The company has set up remuneration committee to determine and approve the remuneration package for executive directors including pension right and any compensation payment. The committee consists of 3 Non-Executive and Independent members.

6. General Body Meetings:

Location and time of last 3 Annual General Meetings are as under:

Year	Venue	Date	Time
2008-09	Plot No.163, Dr. VSI Estate, Perambur, Chennai,- 600 090.	26.09.2009	10.30 a.m
2007-08	Youth Hostel, 2 nd Avenue, Indira nagar, Adyar, Chennai - 600 020.	28.04.2008	02.30 p.m
2006-07	Youth Hostel, 2 nd Avenue, Indira nagar, Adyar, Chennai - 600 020.	28.09.2007	02.30 p.m.

The under-mentioned Special Resolutions were passed in the previous three Annual General Meetings

Date of AGM	Special Resolution passed
28.09.2007	Under section 21 for change of name from ICNET Limited to Integrated Digital Info Services Limited and under section 269 for Appointment of Mr.C.P. Shrikrishna and Mr.C.P. Shriharish as Whole-time Directors.
28.04.2008	Increase of Remuneration of Mr.C.Padmanabhan, Chairman & Managing Director (ii) Utilizing Revaluation of assts to adjust accumulated losses. (iii) Increase of Remuneration of Mr.C.P. Shriharish, Whole-time Director, (iv) Increase of Remuneration of Mr.C.P.Shrikrishna, Whole-time Director (v) monthly payment of Rs.20,000/- to Mr.K.Vasudevan, Director under section 314(1) of the Act (vi) Monthly payment of Rs.20,000/- to Mr.K.Sriraman, Director under section 314(1) of the Act.

Disclosures:

During the year 2009-10, the Company had no material significant related party transaction which is considered to have potential conflict with the interests of the Company at large.

There has not been major non compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last three years.

8. CFO/CEO Certification:

The Chairman and Managing Director and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board in terms of Clause 49.

9. Means of Communication

The Quarterly, Half yearly and Annual Results are generally published by the Company in Makkal-kural and Trinity Mirror.

The Management discussion and analysis report has been attached to Directors' report and forms part of the Annual Report.

10. General Shareholder Information

Registered office: Developed Plot No. 163, Dr. Vikram Sarabhai Industrial Estate, Perungudi Chennai – 600 096

Annual General Meeting

Date and Time	28.01.2011 at 10.30 a.m.
Venue	Youth Hostel, 2 nd Avenue, Indira Nagar, Adyar, Chennai - 600 020

Financial Year 2009-10

The financial year covers the period from 1st April to 31st March.

The financial reporting for 2010-11 (Tentative):

Results for Quarter ending 30 th June 2010	Last week of July 2010
Results for Quarter ending 30 th September 2010	Last week of October 2010
Results for Quarter ending 31 st December 2010	Last week of January 2011
Results for Quarter ending 31 st March 2011	Last week of April 2011
AGM for the year ending 31 st March 2011	Mid September 2011

Date of Book closure:

The period of book closure is fixed from 27.01.2011 to 28.01.2011 (both days inclusive)

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

Listing on Stock Exchanges and Stock Code:

The shares of the Company are listed in the following Stock Exchanges:

- The Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, 25th Floor, Dalal Street, Mumbai 400 001.
- Madras Stock Exchange Ltd. Exchange Building, 11, Second Line Beach, Chennai-600 001.

The Company has paid the annual listing fees to The Stock Exchange, Mumbai for the year 2009-2010.

Stock Code. (Equity Shares – Physical Form). INTERGRATED DIGITAL INFO SERVICES LIMITED

(Demat – ISIN No.) : INE762G01014

Market Information

There has been no transaction in the Madras Stock Exchange during the financial year. The Highest and Lowest rates at which the Company's shares in the Mumbai Stock Exchange are as follows.

Month & Year	Highest	Lowest
Apr 2009	3.37	3.37
May 2009	3.78	3.78
Jun 2009	4.51	3.52
July 2009	4.22	2.73
Aug 2009	3.67	3.67
Sep 2009	4.35	4.26
Oct 2009	4.95	3.99
Nov 2009	4.51	3.44
Dec 2009	3.99	3.73
Jan 2010	5.01	3.55
Feb 2010	5.76	3.61
Mar 2010	3.99	2.85

Sensex Information at Mumbai Stock Exchange in the financial year is furnished hereunder.

Distribution of Shareholding as on 31.03.2010

No of Equity shares held	No. of shareholders	No. of Shares
1 - 500	16154	1999151
501 – 1000	1367	1158818
1001 – 2000	305	467865
2001 – 3000	99	257633
3001 – 4000	41	146608
4001 – 5000	68	321109
5001 – 10000	81	588391
10001 and above	89	10038051
Total	18204	14977626

Shareholding Pattern

S. No	Category	No of shares	% of Shares
1.	Indian Promoters	5247638	35.04
2.	Foreign Promoters	--	--
3.	Mutual Funds and UTI	30200	0.20
4.	Banks, Financial Institutions	--	--
5.	Insurance Companies	--	--
6.	Central/State Govt. Institutions	--	--
7.	Non-Govt. Institutions	99400	0.66
8.	Foreign Institutional Investors	19100	0.13
9.	Private Bodies Corporates	5334553	35.62
10.	Indian Public	4187089	27.95
11.	NRIs / OCBs	--	--
12.	Any Others	59646	0.40
Total		1,49,77,626	100.00

Auditor's Certificate on compliance of the provisions of the Code of Corporate Governance in the listing agreement.

We have examined the compliance of conditions of Corporate Governance by Intergrated Digital Info Services Limited ("The Company") for the year ended on 31st March 2010, as stipulated in Clause 49 of Listing Agreement of the said Company with the 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 as stipulated in the above-mentioned Listing Agreements.

INTERGRATED DIGITAL INFO SERVICES LIMITED 11th Annual Report

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.

**For K.C. Raj Kumar & Co,
Chartered Accountants**

**K.C. Raj Kumar
Proprietor**

**Membership No: 207689
Date: 19.08.2010**

Declaration pursuant to Clause 49 of the listing agreement regarding adherence to the Code of Conduct

To
The Shareholders of Intergrated Digital Info Services Limited.

We hereby declare that all members of the Board and senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the company formulated by the board of directors for the financial year ended 31st March 2009.

**Place: Chennai
Date: 03.01.2011**


**C. P. Shrikrishna
Whole Time Director**

AUDITOR'S REPORT TO THE MEMBERS OF INTERGRATED DIGITAL INFO
SERVICES LIMITED FOR THE YEAR ENDED MARCH 31, 2010

- ❖ We have audited the attached balance Sheet of M/s. Intergrated Digital Info Services Limited, Chennai – 600096 as at 31st March, 2010, 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.
- ❖ We conducted the audit in accordance with auditing standards generally accepted in India. These 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.
- ❖ As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government 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 to the extent applicable.
- ❖ Further to our comments in the Annexure referred to above, we state that:
 - We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of audit.
 - 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.

- The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
- On the basis of written representations received from directors of the Company, as on 31st March, 2010 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act as on the said date;
- 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 Significant Accounting Policies and other notes thereon subject to the notes on waiver of consideration for acquisition of software applications, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - ❖ in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ❖ In the case of the Profit & Loss of Account, of the loss for the year ended on that date; and
 - ❖ In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Chennai
Date : 19.08.2010

For K.C.RAJ KUMAR & CO.
Chartered Accountants,
FRN : 008888S
(K.C.RAJ KUMAR)
CHARTERED ACCOUNTANT
Membership No: 207689

ANNEXURE REFERRED TO IN PARA 3 OF OUR REPORT OF
EVEN DATE

- (i)
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets have been disposed off during the year.
- (ii)
 - (a) The physical verification of inventory has been conducted at reasonable intervals by the management;
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) There is no addition and deletion of stock during the year and we have relied on the certificate obtained from the management for the value of inventories as on 31.3.2010. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii)
 - (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) The company has an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and service.


- (v)
 - (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained in pursuance of section 301 of the Act have been properly dealt with.
 - (b) According to the information and explanations given to us, there are no transactions to be entered in the register maintained under section 301 of the Act exceeding value of rupees five lakhs during the year
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public.
- (vii) The company has internal audit system which, in our opinion, is commensurate with the size and nature of its business
- (viii) The central government has not prescribed maintenance of cost records under section 209(1)(d) of the company's Act.
- (ix)
 - (a) As the Company is in the process of revival it is not registered with PF, ESI and other Statutory Bodies. The Company has started filing its Income Tax Return from the Assessment Year 2007-08 onwards.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth Tax, Sales Tax, Customs duty, Excise Duty and Cess were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (x) ***We were informed by the management that the Company has negotiated a One Time Settlement (OTS) to TIIC. Based on this One Time Settlement, the amount due by the Company to TIIC has been arrived at Rs.2/- crores. During the Year 2007-2008 the One Time Settlement (OTS) has not taken place. No Interest has been provided for the Current Year 2009-2010. The impact of this non-provision in the accounts is not ascertainable. Similarly, interest***

has not been provided in the accounts for amounts due to Bank of Baroda and the impact of the same is not ascertainable.

- xi) The Company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society and Clause (xiii) of the Order is not applicable.
- xii) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xiii) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained.
- xv) On the basis of our examination of the Balance Sheet of the company and according to the explanations given to us, in our opinion, funds raised on short-term basis have not been used for long-term investment.
- xvi) The Company has not allowed any shares on preferential basis to parties and companies covered in the register maintained under Section 301 of the Act.
- xvii) The Company has not issued any kind of Debentures.
- xviii) During the year, the Company has not raised any money by issue of shares to the Public.
- xix) No fraud on or by the company has been noticed or reported during the year.

Place: Chennai
Date : 19.08.2010

For K.C.RAJ KUMAR & CO.,
Chartered Accountant,
FRN : 008888S


K.C.RAJ KUMAR
Proprietor - Membership No: 207689
175 & 176, Level I, IOA Complex,
69, Royapettah High Road,
Chennai - 600 014.

BALANCE SHEET AS ON 31.03.2010

PARTICULARS	Schedule No.		Rs. '000 As at 31.03.2010		Rs. '000 As at 31.03.2009
I. SOURCES OF FUNDS :					
Shareholders' Funds					
a) Capital	I	149,776		149,776	
b) Reserves & Surplus	II	(19,413)	130,363	1,600	151,376
Loan Funds					
a) Secured Loans	III	24,765		24,765	
b) Unsecured Loans	IV	68,822	93,587	67,548	92,312
Total			223,950		243,689
II. APPLICATION OF FUNDS					
Fixed Assets					
a) Gross Block	V	285,412		285,412	
b) Less Depreciation		98,791		81,926	
c) Net Block			186,621		
Investments					
	VI	Nil			
Current Assets, Loans & Advances					
a) Inventories	VII	Nil			
c) Cash & Bank Balances	VIII	37		36	
d) Loans & Advances	IX	48,222		48,255	
			48,259	48,291	
(-) Current Liabilities & Provisions:					
a) Current Liabilities	X	10,930		8,088	
				8,088	
Net Current Assets			37,329		40,203
Miscellaneous expenditure (To the extent not written off)					
Profit & Loss Account					
Total					
Notes on Accounts	XVIII		223,950		243,689

As per our report annexed

K.C. RAJ KUMAR & CO
 Chartered Accountants.

 K.C. RAJ KUMAR
 Proprietor

 C. PADMANAABHAN
 Chairman & Managing Director

 VIJAYAM PADMANAABHAN
 Director

 C.P. SHRIKRISHNA
 Director

Membership No:207689

Place : Chennai

Date : 19.08.2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Rs. '000

PARTICULARS	Schedule	Year ended	Year ended
	No	31.3.2010	31.3.2009
Sales & Subscription	XI	NIL	19,499
Other Income	XII	NIL	Nil
Total		NIL	19,499
Raw Materials & Components	XIII	NIL	Nil
Salaries & Wages and other expenses	XIV	4,149	15,506
Depreciation		16,864	27,820
Total		21,013	43,326
Profit (Loss) after tax			
Profit/(Loss) for the year		(21,013)	(23,827)
Adjusted balance brought forward		(430,463)	(406,636)
Balance Loss transferred to Reserves & Surplus		(451,476)	(430,463)

As per our report annexed

K.C. RAJ KUMAR & CO

Chartered Accountants.

FRN: 008888S

K.C. Raj Kumar
K.C. RAJ KUMAR
Proprietor

C. Padmanaabhan
C. PADMANAABHAN
Chairman & Managing Director

Vijayam Padmanaabhan
VIJAYAM PADMANAABHAN
Director

C.P. Shrikrishna
C.P. SHRIKRISHNA
Director

Membership No:207689

Place : Chennai

Date : 19.08.2010

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31.03.2010			
SCHEDULE	PARTICULARS	Rs. '000	
		As at 31.3.2010	As at 31.3.2009
I	CAPITAL		
	Authorised		
	1,50,00,000 Equity Shares of Rs. 10/- each (Last year 1,50,00,000 Equity Shares of Rs.10 each)	150000	150000
	Issued		
	1,49,77,626 Equity Shares of Rs. 10/- each (Last year 1,49,77,626 Equity Shares of Rs.10/- each fully paid up)	149776	149776
	Subscribed and Paid-up		
	1,49,77,626 Equity shares of Rs.10 each fully paid-up (Last year 1,49,77,626 Equity Shares of Rs.10/- each fully paid up)	149776	149776
		149776	149776
II	RESERVES & SURPLUS		
	General Reserve	739	739
	Capital Subsidy Received	1825	1825
	Profit and loss account	(451476)	(430463)
	Revaluation Reserve	153609	153609
	Share Premium account	275890	275890
		(19413)	1600
III	SECURED LOANS		
	From Banks		
	Bank of Baroda	4765	4765
	THC	20000	20000
		24765	24765
IV	UNSECURED LOANS :		
	Loan from Director	68802	67548
	Punjab & Sind Bank	21	21
		68822	67548

SCHEDULES FORMING PART OF ACCOUNTS AS ON 31.03.2010
SCHEDULE - V

	ADJUSTED GROSS BLOCK		DEPRECIATION - BLOCK		NET BLOCK		
	Adjusted Gross Block	Additions/ Deletions	As on 31.03.2010	As on Gross Block	For the year	As on 31.03.2010	As on 31.03.2009
Computer & Data Processing Equipments	55,225	-	55,225	50,784	1,776	52,560	2,665
Air Conditioner	417	-	417	104	44	148	269
Building	2,601	-	2,601	399	110	509	2,092
Building - Perungudi	3,459	-	3,459	223	162	385	3,236
Cell Phone	158	-	158	32	18	50	108
Furniture and Fittings	1,359	-	1,359	928	78	1,004	355
Legal Database & Software	64,910	-	64,910	28,491	14,568	43,059	21,851
Motor Car	250	-	250	230	5	235	15
Office Equipments	935	-	935	354	81	435	500
Plant & Machinery	448	-	448	358	13	371	77
Telephone - EPABX System	101	-	101	26	10	36	65
Land	1,049	-	1,049	-	-	-	1,049
Land Revaluation	154,500	-	154,500	-	-	-	154,500
TOTAL	285,412	-	285,412	81,927	16,864	98,791	167,066

Rs. '000

Schedules Forming Part of the Balance sheet As on 31.3.2010

Rs. '000

SCHEDULE	PARTICULARS	As at	As at
		31.3.2010	31.03.2009
VI	INVESTMENTS (at cost)	Nil	Nil
VII	INVENTORIES	Nil	Nil
VIII	CASH AND BANK BALANCES		
	a) Cash on hand	29	13
	b) with Scheduled Banks :		
	Current Account in bank	8	23
		37	36
IX	LOANS & ADVANCES -		
	UNSECURED, CONSIDERED GOOD		
	Deposits	58	58
	Advances	2662	2695
	Deposits payment to DOT -overdue for morethan 6 months	44652	44652
	Advances paid to Parties (Work in Progress)	850	850
		48222	48255
X	CURRENT LIABILITIES		
	Sundry Creditors	788	782
	BOB Interest payable Funded	928	925
	BOB Interest payable Principle	1071	1071
	Marketing Cost Payable	2186	2189
	Other Outstandings	1133	777
	Outstanding Expenses	108	130
	Audit fees payable	221	221
	Internal Audit Fees Payable	67	67
	TDS Payable	174	161
	Fring Benefit Tax payable	608	608
	Directors Remuneration Payable	3645	1300
		10930	8088

Schedules Forming Part of the Balance sheet As on 31.3.2010

SCHEDULE	PARTICULARS	As at	As at
		31.3.2010	31.3.2009
XI	SALES		
	Software sales	Nil	19499
XII	OTHER INCOME		
	Miscellaneous income	Nil	Nil
XIII	RAW MATERIALS & COMPONENTS		
	Opening Stock	Nil	Nil
	Add: Purchases	Nil	Nil
	Less : Closing Stock	Nil	Nil
XIV	SALARIES & WAGES AND OTHER EXPENSES:		
	Salaries, Wages, Bonus and Allowances	723	1960
	Staff & Labour Welfare expenses	7	231
	E.B.Charges	62	223
	Rent, Rates and Taxes & Duties	109	272
	Printing and Stationery	6	278
	Postage and telephones	149	533
	Repairs & Maintenance	19	561
	Security charges	129	319
	Audit fees	100	96
	General office expenses	13	16
	Professional legal fees	81	414
	Share transfer fees	248	248
	Travelling and conveyance	21	4497
	Interest Others	1	19
	Advertisement and sales promotion	67	436
	Directors' Sitting Fees		100
	Directors remuneration	2340	2485
	Listing fee	56	72
	Fringe Benefit Tax	-	140
	Marketing Cost		2186
	Membership Fee	-	51
	Miscellaneous Expenses	17	369
		4149	15506

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2009-10

PARTICULARS	(IN RS.)
	Rs. '000
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before Tax	(21,013)
Interest Income on Deposits	
Depreciation provision	16,865
(Profit) / Loss on Sale of Fixed Assets	
Exchange fluctuations	
Preliminary and Deferred Revenue Expenses written off	-
Interest expenditure	(4,148)
Cash Operating Profit	
Working capital changes :	
Decrease / (Increase) in Inventories	
Decrease / (Increase) in Sundry Debtors	
Decrease / (Increase) in Loans and Advances	33
Increase / (Decrease) in Current Liabilities and provisions	2,842
Cash from Operations	(1,273)
Income tax	
Cash Flow before extraordinary items	(1,273)
Extraordinary items	
Net Cash from Operations after extraordinary items	(1,273)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Proceeds on Sale of Fixed Assets	
Additions to Fixed Assets	
Increase in Deferred Revenue expenditure	
Increase / (decrease) in Deferred tax liability	
Increase in Investments	
Interest Income on Deposits	
Net cash from investing activities	
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Shares	
Proceeds from Borrowings (Secured and Unsecured)	1,274
Exchange fluctuations	
Interest paid	
Dividend paid	
Net Cash from Financing activities	1,274
D. TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (A + B + C)	
E. Cash and Cash equivalents as at the beginning of the year	36
Cash and Cash equivalents as at the end of the year	37

SCHEDULE NO. XVIII

NOTES ON ACCOUNTS

Accounting Policies / Compliance of Accounting Standards issued by the Institute of Chartered Accountants of India. Have been duly complied with

1. Disclosure on accounting Policies

The accounts are maintained on accrual basis as a going concern.

2. Valuation of inventories

Inventories are valued at lower of cost or net realizable value.

Raw materials are valued at cost of purchase and includes all expenses incurred bringing the materials to their present location and condition.

3. Cash Flow Statements

Pursuant to the listing agreement with Stock Exchange, Cash Flow Statement has been attached to the Balance Sheet and Profit & Loss Account.

4. Depreciation Accounting

Fixed asset were physically verified and there is no material discrepancy. There is no deviation in the valuation of fixed assets during the financial year 2009-2010. Depreciation for the period under review has been provided as per schedule XIV of the Companies Act 1956. No fixed assets have been revalued during the financial year 2009-10.

5. Revenue Recognition

The Company is booking its sales electronically which are subscriptions from various parties. Registration of members are made through on line application form filled in during subscription. The subscription is annual and renewals are also made electronically using on line renewal form. The Company has adopted and complied with the Accounting Standard AS-9 concerned with the timing of recognition in the statement of Profit and Loss Account.

6. The Key management personnel are:

- a. Mr.C.Padmanaabhan
- b. Mr.C.P.Srikrishna
- c. Mr.C.P.Sriharish

Amount paid to Key Management Personnel

Sitting Fees	Rs.-Nil-
Remuneration	Rs. 23,40,000/-

7. Discontinuing Operations

The Company has not discontinued any operations during the year.

Disclosure required under the Companies Act, 1956

The Subscribed and Paid -up Capital include 1, 49, 77,626 Equity Shares of Rs.10/- each issued and fully paid up

- i. List of Small Scale Industrial undertakings to whom the company owes a sum which is outstanding for more than 30 days -- Nil
- ii. Payments made to / on behalf of chairman & Managing Director/Whole time Directors

Salary	Rs. 23,40,000/-
Sitting Fees	Rs. Nil
Commission to Non-Whole time Director	NIL
- iii. Remuneration to Auditors consists of

Statutory Audit Fee	Rs. 100,000/-
Other Services	Rs Nil
- iv. CIF Value of Imports

Raw Materials	Rs. NIL
---------------	---------
- v. Earning in foreign exchange'
- vi. Expenditure in foreign currency
 - i) Import of Raw materials NIL
 - ii) Foreign Travel NIL

- vii. Disclosure in respect of derivative instruments NIL
- viii. Last year's figures are regrouped wherever necessary
- ix. Quantitative and other information relating to turnover, production, licenses capacity, installed capacity, etc. – Not Applicable
- x. **Contingent liabilities.**

The contingent liability of the Company is estimated at Rupees 2107.36 Lacs in respect of Frozen Interest towards compound interest charged for various loans extended by 'TIC' to the Company

sd/-
C.PADMANAABHAN,
CHAIRMAN AND MANAGING DIRECTOR

sd/-
C.P. SHRIHARISH
DIRECTOR

sd/-
C.P.SHRIKRISHNA
DIRECTOR.
Place: Chennai
Date:

As per our Report annexed,
For **K.C.RAJ KUMAR & CO.,**
Chartered Accountants,
FRN: 008888S

sd/-
K.C.RAJ KUMAR,
Chartered accountants
Membership No.207689

