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TELEDATA INFORMATICS LTD

19th ANNUAL REPORT

YEAR 2009 - 2010

TELEDATA INFORMATICS LTD

ANNUAL REPORT 2009 – 2010

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the shareholders of Teledata Informatics Ltd will be held on Thursday, the 30th September 2010 at 09.30 a.m. at The Music Academy, Madras, new no. 168 (Old no. 306), T.T.K. Road, Royapettah, Chennai 600 014, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Director's report, the Audited Profit and Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date and the Auditor's Report thereon.
2. To elect a Director in place of Mr. N. Sakthivel who retires by rotation and being eligible offers himself for reappointment
3. To re-appoint M/s. N.R. Krishnamoorthy & Co., FRN-001492S Chartered Accountants, Chennai as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company.
4. To re-appoint M/s. S. Ramachandran & Co., FRN-006775S Chartered Accountants, Chennai as Branch Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company.

Special Business:

Item No: 5

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“ **RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, such Act being referred to as the “Act”), the applicable provisions of Foreign Exchange Management Act, 1999 (“FEMA”), rules, regulations, guidelines, notifications and circulars issued under FEMA including but not limited to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, Chapter XIII A of SEBI (DIP) guidelines and other applicable rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India (“SEBI”) and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India, the Foreign Investment Promotion Board, and all other authorities as may be required, whether in India or outside India, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized at its absolute discretion to create, offer, issue and allot in one or more tranches, in the course of domestic / international offerings to one or more persons as the Board may determine at its absolute discretion, whether or not they are members of the Company, including but not limited to domestic investors / foreign investors whether having presence in India or not / institutional investors / foreign institutional investors, members, employees, non-resident Indians, companies or bodies corporate whether incorporated in India or abroad, trusts, mutual funds, banks, financial institutions, insurance companies, pension funds, individuals or otherwise, whether shareholders of the Company or not, through a public issue, rights issue, preferential issue and / or private placement, with or without an over-allotment option, with or without reservation on firm and / or competitive basis of such part of the issue for such person or categories of persons as may be permitted, equity shares and / or equity shares through depository receipts including Foreign Currency Convertible Bonds and / or Global Depository Receipts and / or American Depository Receipts and / or Qualified Institutions Placement (QIP) and / or any other securities convertible into equity shares at the option of the Company and / or holder(s) of the securities and/or securities linked to equity shares and / or securities with warrants including any instruments or securities representing either equity shares and / or Foreign Currency Convertible Bonds or convertible securities or securities linked to equity shares or equity shares / fully convertible debentures / partly convertible debentures or any securities, which are convertible or exchangeable with equity shares at a later date (hereinafter, collectively referred to as “Securities”), secured or unsecured, listed on any Stock Exchange inside India, through an offer document and / or prospectus and / or offer letter and / or offering circular and / or information memorandum and / or any other offering document(s) including an umbrella or shelf offering document, and / or listing particulars, as the Board in its sole discretion may at any time or times hereafter decide, for an aggregate amount not exceeding US\$ 100 Million (approximately Rs. 500 Crores at the current rate of exchange), inclusive of such premium from time to time, such issue and allotment to be made at such time or times in one or more tranches, denominated in one or more currencies, at such price or prices in such manner and where necessary in consultation with the lead managers and / or underwriters and / or stabilizing agents and / or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide at the time of issue of Securities with a green under such form and practices as may be prevalent in the international market.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and matters flowing there from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue / offer or allotment or conversion of the aforesaid Securities, listing thereof with any of the international / domestic stock exchange(s) and to resolve and settle all questions and difficulties

and the Board be and is hereby authorised to determine the form, terms, timing of the offer(s)/issue(s) including the class of investors, number of securities to be issued and/or allotted in each tranche, offer/issue price, face value, premium amount on issue / conversion of securities, redemption of securities, rate of interest, redemption period, listing on one or more Stock Exchanges in India or overseas as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities and to do all acts, deeds, matters and things as may be necessary and to settle any questions or difficulties that may arise in regard to the said offer(s)/issue(s) of securities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to offer, issue and allot such number of ordinary equity shares ranking pari-passu, inter-se, with the then existing ordinary shares of the Company in all respects from time to time as may be required to be issued and allotted upon exercise of conversion option by the holder(s) of the securities in accordance with the terms of the issue of securities.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Act and subject to all necessary approvals, to the Board to secure, if necessary, all or any of the above Securities to be issued by the creation of mortgage and / or charge on all or any of the Company's immovable and / or movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Board and / or any entity, agency or body authorised and / or appointed by the Board may, upon issue of such Securities, issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations in or under such form and practices as may be prevalent in the international market.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and matters flowing there from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue / offer or allotment or conversion of the aforesaid Securities, listing thereof with any of the international / domestic stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue / offer, allotment and conversion of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board is authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

Item No.6:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, subject to approval of shareholders and pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions if any of the Companies Act 1956, the approval of the company be and is hereby accorded for the re-appointment of Mr K Padmanabhan, as a Managing Director of the Company for a period of five years with effect from 01st June 2010 up to 31st May 2015 on a remuneration subject to the provisions of schedule XIII as set out below:

1. Basic Salary (per month) - In the scale of Rs 60,000 to Rs.1, 50,000

The Board or any Committee thereof, be and is hereby authorised in its absolute discretion and from time to time, to fix, within the range stated above, the salary payable to Mr. K. Padmanabhan.

2. Commission

Subject to the overall limits laid down in Section 198 and 309 of the Companies Act, 1956 such percentage of net profits of the Company or such quantum as may be decided by the Board of Directors for each financial year.

3. Perquisites

i. Housing:

a) Expenditure by the company on hiring unfurnished accommodation subject to a maximum expenditure on the company of Rs. 1,20,000 P.A

or

b) In case the accommodation is owned by the Company 10% of the salary of the Managing Director shall be deducted by the Company

c) If the Company does not provide accommodation, 60% of his salary will be paid to him as house rent allowance.

Explanation 1 – Expenditure incurred by the Company on gas electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of his salary.

Explanation 2 – Expenditure by way of salary to Sweeper, Watchman, Servant and Gardener in respect of his accommodation, will be reimbursed by the company.

ii. Medical Reimbursement

Medical expenses incurred by the Managing Director for self and his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years on actual basis.

iii. Leave Travel Concession

For self and family once in a year incurred in accordance with the rules of the Company.

iv. Club Fees

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

v. Personal Accident Insurance

Of an amount, the annual premium of which does not exceed Rs. 2000/-

For the purpose of this category, 'Family' means the spouse, the dependent children and dependent parents.

vi. Provident Fund

The Company's contribution to Provident Fund shall be as per the scheme framed by the Company.

vii. Superannuation Fund / Annuity Fund

Company's contribution to superannuation Fund / Annuity Fund shall be in accordance with the scheme framed by the company.

viii. Gratuity

Gratuity payable as per the rules of the company

ix. To provide an official car for his official and personal use with a driver

In case of no profit or inadequacy of profit the above remuneration along with perquisites will be paid as minimum remuneration subject to the limits provided under Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT, in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, benefits, amenities and facilities to Mr K. Padmanabhan, Managing Director shall not exceed with the approval of the Central Government exceed the limits prescribed under Companies Act, 1956"

Item No.7:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, subject to the approval of the shareholders and pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the said Act' including any statutory modification(s) or re-enactment(s) thereof for the time being in force, approval of the Company and is hereby accorded for the appointment of Gp. Capt. K. Balasubramanian IAF (Retd.), as Chairman of the Company, for a period of 5 years from 01st June, 2010 upto 31st May, 2015 on a remuneration subject to the provisions of schedule XIII as set out below:

1. Salary (per month) – (in the scale of Rs.50,000 to Rs.100,000) The Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the range state above, the salary payable to Gp. Capt. K. Balasubramanian IAF (Retd.).

2. Commission

Subject to the overall limits laid down in Section 198 and 309 of the Companies Act, 1956 such percentage of net profits of the Company or such quantum as may be decided by the Board of Directors for each financial year.

3. Perquisites

(I) Housing:

a) Expenditure by the Company on hiring unfurnished accommodation, subject to a maximum expenditure on the company of Rs. 1,20,000 p.a.

Or

in case the accommodation is owned by the Company 10% of the salary of the Chairman shall be deducted by the Company

b) if the Company does not provide accommodation 60% of his salary will be paid to him as house rent allowance.

Explanation 1 Expenditure incurred by the Company on gas electricity water and furnishing shall be valued as per the Income Tax Rules 1962. This shall however be subject to a ceiling of ten percent of his salary.

Explanation 2 Expenditure by way of salary to sweeper, watchman, servant and gardener in respect of his accommodation, will be reimbursed by the company.

(ii) Leave Travel Concession

For self and family once in year incurred in accordance with the rules of the Company.

(iii) Club Fees

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

(iv) Personal Accident Insurance

Of an amount, the annual premium of which does not exceed Rs.2000/-

For the purpose of this category, "Family" means the spouse, the dependent children and dependent parents.

(vi) Provident Fund

The Company's contribution to Provident Fund shall be as per the scheme framed by the company.

(vii) Superannuation Fund/Annuity Fund

Company's contribution to Superannuation Fund/Annuity Fund shall be in accordance with the scheme framed by the company.

(viii) Gratuity

Gratuity payable as per the rules of the company

(ix) Car

To provide an official car for his official and personal use with a driver

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial Year, the remuneration by way of salary, allowances, perquisites, benefits, amenities and facilities to Gp.Capt.K.Balasubramanian, IAF (Retd.), Chairman, shall not, except with the approval of the Central Government, exceed the limits prescribed under Companies Act, 1956 and rules made thereunder or any statutory modification or re-enactment thereof.

Item No. 8:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved that pursuant to provisions of section 31 of the Companies Act, 1956 and any other provisions applicable thereto, the following new Clause 72 C after Clause No.72 B be inserted in the Articles of Association of the Company in the following manner.

72 C. "Any resolution which may be required to be passed by the members at a General Meeting can also be passed through Postal Ballot."

Place: Chennai
Date: 30/08/2010

By order of the Board

Sd/-
K.Padmanabhan
Managing Director

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 / herself and the proxy need not be a member. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the meeting.
2. The explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business set out above is annexed hereto.
3. The share transfer books and Register of Members of the company will remain closed from 27th September, 2010 to 30th September, 2010 (both days inclusive)
4. Members holding shares in physical form are requested to notify immediately any change in their address and bank details to the Company or their transfer Agents.
5. Members holding shares in Dematerialised form are requested to notify immediately any change in their address and Bank details to their Depository Registrars.
6. Members or proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Item No.5:**

For further expansion of the Company and for fund, additional working capital requirements to meet out the working capital requirements and other capital requirements, though your Company in the Annual General Meeting held on 25th September 2009 has obtained the approval of the shareholders to raise Funds through QIP / Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign currency convertible bonds (FCCBs), upto a total amount of Rs.500 Crores (Rupees Five Hundred Crores only), is still in the agenda of the company and hence your company seeks to get Fresh approval from the members for raising the above said Funds through QIP / Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign currency convertible bonds (FCCBs), as this resolution if approved will be valid for a period of Twelve months from the date of resolution.

Considering the funding needs and current market conditions, in order to augment the resources available to the Company, it is also proposed to offer, issue and allot, Foreign Currency Convertible Bonds (FCCBs), and / or other equity linked securities and / or securities convertible into equity shares, at later date, and / or Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or Qualified Institutions Placement (QIP), up to a sum not exceeding Rs 500 Crores.

In terms of Section 81(1) of the Companies Act, 1956, in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such further shares to its existing equity shareholders in the proportion of their respective equity shareholdings in the Company. Pursuant to Section 81(1A) of the Companies Act, 1956, a Public Company may offer its shares in any manner whatsoever to persons other than those mentioned in Section 81(1) if a special resolution to that effect is passed. Thus, consent of the members of the Company, by way of a Special Resolution, is required for the said item.

Hence, your Board of Directors recommends the resolution as set out in Item No. 5 to the notice for your approval.

None of the Directors of the Company may be deemed to be interested in the resolution.

Item No.6:

The Board of Directors has re-appointed Mr. K Padmanabhan as Managing Director w.e.f. 01st June 2010 up to 31st May 2015.

As a promoter of Teledata Mr. K Padmanabhan has made significant contributions to the growth of the Company in terms of business, market share and profitability.

He has skillfully managed the performance of your Company against all odds and in the interest of efficient management and further progress of your Company, your Board of Directors recommends the re- appointment of Mr.K Padmanabhan as the Managing Director for a period of five years.

Mr.K.Padmanabhan, aged 59 years is a Post Graduate Mechanical Engineer and Certified Chief Engineer in Merchant Ships, a veteran in the shipping industry for nearly 25 years. His core competencies lie in software development, operating with ease with multi-national and multicultural environments and managing people skills in large enterprises.

The relevant documents in connection with his re- appointment are open for inspection during working hours of the Company at its Registered Office.

None of the Directors are personally interested in the above appointment except Mr. K Padmanabhan and Gp Capt K Balasubramanian IAF (Retd).

This disclosure may be treated as Notice under Section 302 of the Companies Act 1956.

Item No.7:

The Board of Directors has re- appointed Gp. Capt. K. Balasubramanian IAF (Retd) as Chairman w.e.f. 01st June 2010 up to 31st May 2015.

Gp. Capt. K. Balasubramanian IAF (Retd.) aged 69 years is a Graduate Mechanical Engineer, M.Sc (Engineering Cranfield - U.K), and an M.B.A from Madurai Kamraj University. He joined the Indian Air Force in the year 1962 as Pilot officer and rose to the rank of Group Captain before his retirement in 1994. He is currently Chairman of our company. He plays a key role in defining the company strategy and in continuously using technology and innovation to maintain its leadership of the industry. Your Board of Directors recommends the re- appointment of Gp. Capt. Balasubramanian IAF (Retd) as the Chairman for a period of five years.

The relevant documents in connection with his re – appointment are open for inspection during working hours of the Company at its Registered Office.

None of the Directors are personally interested in the above appointment except Mr. K. Padmanabhan and Gp. Capt.K. Balasubramanian IAF (Retd). This may be treated as disclosure required under Section 302 of the Companies Act 1956.

Item No.8:

Section 31 of the Companies Act, 1956, specifies any amendment to the Articles of Association can be made only when it is approved by the shareholders of the Company by way of a special resolution in the general meeting. Therefore, the proposed amendments are hereby placed to be passed as a Special Resolution.

None of the Directors of your Company are interested in the resolution except to the extent of their shareholding in the Company.

Place: Chennai
Date: 30/08/2010

By order of the Board

Sd/-
K.Padmanabhan
Managing Director

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report of the Company along with the Audited Statement of accounts for the year ended 31st March 2010. The Report also includes Management Discussion and Analysis Report in accordance with the guidelines on Corporate Governance.

(Rs in Cr)

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Income from operations	409.86	725.12
Other income	0.20	9.75
Total Revenue	410.06	734.87
Total expenditure before Interest & Depreciation	351.23	620.54
Operating profit / Loss PBIDT	58.83	114.33
Interest	54.09	34.90
Depreciation / Amortization	2.11	2.23
Profit before tax	2.63	77.20
Provision for tax	0.40	8.09
Profit after tax (PAT)	2.23	69.11
Surplus brought forward	484.85	415.74
Balance carried to Balance sheet	487.08	484.85

Lines of Business:

1. Educational Solutions: Teledata Informatics Ltd has transformed itself into an Education and Training Company by offering a wide range of solutions for the on-line education market such as:-
 - Tuition Edge
 - Teacher's Aide
 - Development
 - Preparatory Courses for Professional Exams
 - Coaching for Competitive Exams
 - Distance Education for Universities
2. IT Infrastructure & ICT Solutions: Teledata has successfully worked with states such as Tripura, West Bengal, Nagaland and Arunachal Pradesh in providing ICT Solutions.

Teledata has also implemented e-governance and other Infrastructure projects in Utkal University, Bharatiyar University.

3. Product Offerings:

- Educational Software: Teledata offers a variety of products and software solutions like Monitor SIS, WebEIM, Monitor and TIM
- Energy and Utility: The Company focuses on providing value added technology solutions in Energy Loss Computation, Preventing Energy Thefts and phased implementation coupled with the hardware and software technology. Billing Solutions and Power Plant Manager are the components of this sector.
- Security Solutions: Teledata has started providing a virtual reception concept by name MAYA which virtually eliminates the need of human intervention and handles visitors through facial and biometric recognition. MAYA can be effectively used in corporate offices/ Commercial / Apartment Buildings, Banks, Places of Worship etc. Remote Monitoring is another aspect in security solutions. Teledata offers surveillance software to detect theft and manage crowd. The software can be installed anywhere where security is of prime importance.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had 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 of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- they had prepared the annual accounts on a going concern basis.

Corporate Governance

The disclosure requirements on corporate governance prescribed under clause 49 of the listing agreement is annexed herewith as part of the report.

Directors

Mr.N. Sakthivel, Director is retiring by rotation and has conveyed his acceptance to continue as a Director of the company.

CEO Certification

The Managing Director has submitted a Certificate to the Board Meeting regarding the Financial Statements and other matters as required and Clause 49 (V) of the Listing Agreement.

Fixed Deposits

The Company has not accepted fixed deposits and as such, no amount of principal or interest was outstanding as at the Balance Sheet date.

Particulars of Employees

None of the employees of the company are falling under the information to be furnished as per section 217 (2A) of the Companies Act 1956.

Auditors

M/S N.R.Krishnamoorthy and Company Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept Office as Statutory Auditors if re-appointed.

Subsidiaries

The financial statements of the subsidiaries of your Company are drawn up in accordance with the applicable Accounting Standards and forms part of the Consolidated Financial Statements in the Annual Report. Your Company believes that the consolidated accounts present a full and fair view of state of affairs and financial conditions. The financial information relating to the subsidiary companies are appended to this report

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

The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out separately, which forms a part of this report.

Acknowledgements

Your directors extend their gratitude to customers, alliance partners and employees for their continued valuable support. The unrelenting contribution made by our employees to ensure customer care deserves a special acknowledgement. Your directors place on record their appreciation for the excellent continued co-operation from Bankers, vendors and various Government and Non-Government Agencies including SEBI, Stock Exchanges, Registrar of Companies, STPI, RBI, VSNL & others and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Sd/-
Gp. Capt. Balasubramanian IAF (Retd.)
Chairman

Sd/-
K.Padmanabhan
Managing Director

Place: Chennai
Date : 30/08/2010

Addendum to Directors' Report

Directors' Comments on Auditors Qualification

1. a. *We draw attention to Note No.20 of Schedule Q on booking of revenue on sale of products to marketing agents. The quantification and evaluation of amounts for products lying unsold cannot be determined.*

DC –The Company has agreement with marketing agents in various countries through whom products are sold. As there has been no sales return in past years, the revenue is normally recognised by the Company on sale of products to marketing companies and this policy is being followed by the company consistently over past years which are in tune with the agreement entered into by the Company with respective parties.

- b. *We are unable to comment on the ultimate realisability of investments amounting to Rs.110.33 crores in Rainforest Trading Limited and amount advanced to Baytech Inc BVI to the tune of Rs.186.13 crores, due to ongoing litigation against eSys Technologies Pte Limited which is the substance of the said investments/advances as referred to in Note No.15 of Schedule Q*

DC - The Board of directors are of the opinion that the investments amounting to Rs.110.33 Crores in Rainforest trading Limited and amount advanced to Baytech Inc BVI of Rs 186.13 Crores are realizable.

- c. *We draw attention to Note No.18 of Schedule Q regarding bank guarantees amounting to Rs.2.21crores which have been invoked by customers during the year with regard to which no provision or adjustment has been made as the same is considered good and recoverable in the opinion of the management and yet to be realized from the said customers as at the Balance Sheet date.*

We are unable to express an opinion on the ultimate realisability of the said amounts.

DC - The Board of Directors are taking necessary steps to recover the amounts from the customers.

2. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt by with this report have been prepared in all material respects in compliance with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 *except for non-compliance in respect of prescribed method of valuation of Employee Benefits and required disclosure in accordance with Accounting Standard 15 – “Employee Benefits” (Revised) and non-compliance in respect of the reinstatement of debtors, creditors and advances in accordance with Accounting Standard 11 – “Effects of Changes in Foreign Exchange Rates” (Revised);*

DC - The company is taking steps to comply with the provisions of Accounting Standard 15 – “Employee Benefits” (revised 2005) with regard to disclosures and valuation and Accounting Standard 11 – “Effects of Changes in Foreign Exchange Rates” (Revised).

Directors' Comments on the Qualifications made by Auditors in their report on Consolidated financial statements of the Company

1. *We report that certain subsidiaries as disclosed in Note No 4 (b) of Schedule Q have been consolidated on the basis of unaudited financial statements which reflect total assets (net) of Rs.36.62 Crores as at 31st March, 2010, total revenues of Rs.3.0 Crores and aggregate losses of Rs.16.95 Crores for the year ended on that date. The financial statements of these subsidiaries have been certified by the management and have been furnished to us and in our opinion in so far as it relates to the amounts included in respect of the subsidiaries are based solely on certified unaudited financial statements. We have relied on management certifications for elimination of inter-company transactions of the group in the absence of any confirmation from the directors/auditors of group companies.*

DC - The board of Directors of the Company felt that as financial year of subsidiaries are not in coincidence with the financials of the parent Company, the parent company is not in a position of giving consolidated audited financial statement and such accounting treatment are in agreement with provisions of the Companies Act 1956.

2. *We report that the Group has not consolidated the results of a subsidiary company i.e. PT Teledata Energy Services, Indonesia in accordance with AS 21 on “Consolidated Financial Statements” (Refer Note No. 2(h) of Schedule Q) in the absence of any financials to this effect. We also report that the Group has not consolidated the results of the subsidiary companies i.e., Baytech Inc. BVI and Rainforest Trading Ltd (SPV) in accordance with AS 21 on “Consolidated Financial Statements” (Refer Note No. 2(h) of Schedule Q) due to the ongoing legal proceedings against eSys Technologies Pte Ltd, Singapore which is a wholly owned subsidiary of Rainforest Trading Ltd (SPV). Effectively the profit and loss account and balance sheet is understated to the extent of financials of these subsidiaries.*

DC - Board of Directors are of the opinion that financials of PT Teledata Energy Services Ltd., Indonesia is being reconciled and of the opinion, that it will not materially affect the financials of the company on a consolidated basis. In the case of Baytech Inc and Rainforest Trading Pvt Ltd, Company has initiated legal proceedings for breach of terms of Share purchase agreement which includes non submission of Audited financials.

1. *We draw attention to Note No. 20 of Schedule Q on booking of revenue on sale of products to marketing agents by the Parent Company. Though the amounts are received in the normal course of the business, the quantification and evaluation of amount lying unsold cannot be determined.*

DC - The Company has agreement with marketing agents in various countries through whom products are sold. As there has been no sales return in past years, the revenue is normally recognised by the Company on sale of products to marketing companies and this policy is being followed by the company consistently over past years which are in tune with the agreement entered into by the Company with respective parties.

4. *We are unable to comment on the ultimate realisability of investments amounting to Rs.110.33 crores made by the Parent Company in Rainforest Trading Limited and amount advanced to Baytech Inc BVI to the tune of Rs.186.13 crores due to ongoing litigation against eSys Technologies Pte limited which is the substance of the said investment/advances as referred to in Note No. 15(a) of Schedule Q.*

DC - The Board of directors are of the opinion that the investments amounting to Rs. 110.33 Crores in Rainforest trading Limited and amount advanced to Baytech Inc BVI of Rs 186.13 Crore are realizable.

5. *We draw attention to Note No.18 of Schedule Q regarding bank guarantees amounting to Rs.2.21crores which have been invoked by a customer during the year which is yet to be realized from the said customer as at the Balance Sheet date.*

We are unable to express an opinion on the ultimate realisability of the said amounts.

DC - The Board of Directors are taking necessary steps to recover the amounts from the customers.

6. *The Group has not complied in respect of prescribed method of valuation of Employee Benefits and required disclosure in accordance with Accounting Standard 15 – “Employee Benefits” (Revised) and in respect of the reinstatement of debtors, creditors and advances in accordance with Accounting Standard 11 – “Effects of Changes in Foreign Exchange Rates” (Revised)*

DC - The Company would be taking steps to comply with the provisions of Accounting Standard 15 – “Employee Benefits” (revised 2005) with regard to disclosures and valuation in the coming years.

ANNEXURE TO DIRECTORS' REPORT

A) Conservation of Energy:

The operations of your Company are not energy intensive. The Company has, however, taken adequate measures to conserve energy consumption by using efficient computer terminals and building management systems. The impact of these efforts has enhanced energy efficiency. As energy cost forms a very small part of total expenses, the financial impact of these measures is not material and not measured.

B) Technology Absorption, Adaptation and Innovation:

The Company's business demands constant absorption of and adaptation to changing technologies to stay competitive in the rapidly changing world.

C) Foreign Exchange Earnings and Outgo:

Your Company is making continuous efforts to explore new foreign markets and increase its share in the market for export of software. The details of foreign exchange earned and the outgo is as under:

(Rs. In Cr)

Particulars	31st March 2010	31 st March 2009
Foreign exchange earnings	400.99	721.69
Foreign exchange outgo	318.50	553.71
Earnings in Foreign currency on receipt basis	86.99	266.61
Expenditure in Foreign currency	56.13	92.24

For and on behalf of the Board of Directors

Sd/-
Gp. Capt. Balasubramanian IAF (Retd.)
Chairman

Sd/-
K.Padmanabhan
Managing Director

Place: Chennai
Date: 30/08/2010

REPORT ON CORPORATE GOVERNANCE

ANNEXURE TO THE DIRECTOR'S REPORT

Company's Philosophy on Code of Corporate Governance

The Basic philosophy of the company towards Corporate Governance is to protect and enhance the long term value of a the stakeholders – shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within regulatory framework through transparency in its dealings.

1. Board of Directors

a) Composition and category of Directors as of March 31, 2010

Gp.Capt.K.Balasubramanian IAF (retd) is the chairman of Board of Directors.

S.No:	Name(s) of Director(s)	Category	Status	Independency
1	Gp. Capt. K. Balasubramanian IAF (Retd)	Executive Chairman	Promoter	Non independent
2	Mr. K. Padmanabhan	Managing Director	Promoter	Non independent
3	Mr. N. Sakthivel	Non – Executive	Non Promoter	Independent
4	Mr. M. Seetharaman	Non- Executive	Non Promoter	Independent
5	Mr. R. Ravichandran	Non- Executive	Non Promoter	Independent
6	Mr. M S Ramakrishnan	Non- Executive	Non Promoter	Independent

b) Other Directorships

S.No:	Name(s) of Director(s)	Category	Number of directorships in other Indian companies	Number of Committee Memberships held in the Boards of other companies
1	Gp. Capt. K. Balasubramanian IAF (Retd)	Executive Chairman	5	4
2	Mr. K. Padmanabhan	Managing Director	5	2
3	Mr. N. Sakthivel	Non – Executive	5	5
4	Mr. M. Seetharaman	Non- Executive	Nil	Nil
5	Mr. R. Ravichandran	Non- Executive	1	3
6	Mr. M S Ramakrishnan	Non- Executive	1	1

c) Number of Board Meetings held during the Financial year

During the year the Board Meeting of the company was held six times on various dates given below:
09th May 2009, 30th June 2009, 31st July 2009, 29th September 2009, 30th October 2009 and 30th January 2010.

d) Attendance of the Board of Directors at the Board Meetings and Annual General Meetings.

SL.No	No. of Board Meetings Held: ---- 06	Attended	Last AGM attendance (Yes/No)
Name of Directors			
1	Gp. Capt. K. Balasubramanian, IAF (Retd)	05	Yes
2	Mr. K. Padmanabhan	05	Yes
3	Mr. N. Sakthivel	06	Yes
4	Mr. M. Seetharaman	06	No
5	Mr. R. Ravichandran	06	No
6	Mr. M S Ramakrishnan	04	Yes

e) Particulars of Sitting Fees/ Remuneration/ Commission Paid to the Directors during the financial year 2009 -10

NAME OF THE DIRECTOR	SITTING FEES(Rs.)	REMUNERATION	COMM-SSION	TOTAL
Mr. K. Padmanabhan	Nil	1,140,000	Nil	1,140,000/-
Gp. Capt. K. Balasubramanian, IAF (Retd)	Nil	1,516,000	Nil	1,516,000/-
Mr. N. Sakthivel	21,000/-	Nil	Nil	21,000/-
Mr. M. Seetharaman	15,000/-	Nil	Nil	15,000/-
Mr. R. Ravichandran	21,000	Nil	Nil	21,000/-
Mr. M S Ramakrishnan	6,000/-	Nil	Nil	6,000/-
Total	63,000/-	Nil	Nil	27,19,000/-

f) Code of Conduct for Board of Directors and Senior Management Personnel

The company has adopted a code of conduct for the Board and Senior Management personnel. The code has been communicated to directors and the senior management. and they all have complied with the Code for the year ended 31st March 2010. The annual report contains a declaration to this effect signed by Managing Director which is given below.

Declaration pursuant to clause 49 of the listing agreement for the year ended 31st March 2010.

To

The Shareholders of Teledata Informatics Ltd

We hereby declare that all members of the Board and senior management 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 and on behalf of the Board

Place: Chennai
Date: 30/08/2010

Sd/-
K Padmanabhan
Managing Director.

2. Audit Committee

The Composition and terms of reference of the audit committee are in compliance with the requirements of Clause 49 of Listing Agreement entered with Stock Exchanges. The Audit committee discussed the draft financial statements and the internal control systems in the company.

During the period, the audit committee met 4 times on 30/06/09,31/07/09,30/10/09 and 30/01/10.

The Constitution of the Committee and the attendance of each member of the Committee are given below:

Mr.N.Sakthivel is the Chairman of the Audit Committee. Company Secretary is Secretary of the Audit Committee.

Name	Status	Category	No. of Meetings
			Attended
Gp.Capt. K.Balasubramanian (IAF) Retd	Non Independent	Executive Director	4
Mr. N.Sakthivel	Independent	Non Executive	4
Mr. M.Seetharaman	Independent	Non- Executive	4
Mr. R.Ravichandran	Independent	Non -Executive	4

3. Share Transfer and Investor's Grievance Committee

The Company's shares are compulsorily traded in dematerialised form. The Company has a share transfer / Investor's Grievance committee comprising of Mr.K.Padmanabhan, Managing Director, R. Ravichandran Director and Mr.N.Sakthivel – Director. Mr.N.Sakthivel is the Chairman of Committee. The share transfer documents are verified by the registrar and the Share Transfer Committee approves the share transfers in their meeting. The Committee met at relevant intervals considering the volume of transfers received in the physical segment. During the year, the committee met four times on 27/08/09, 30/10/09, 26/01/10 and 15/03/10. Mr.N.Ramanathan, Company Secretary is the compliance officer of the committee.

Name of Director	No. of Meetings Attended
Mr. K.Padmanabhan	4
Mr. N.Sakthivel	4
Mr.R.Ravichandran	4

The details of shareholders grievances received / replied / pending:

Type of complaint	Received	Replied	Pending
Non receipt of dividend / revalidation of dividend	14	13	1
Stock Exchange/ SEBI/ Consumer forum Complaints	34	34	---
Annual report	33	33	---
Listing, Change of Address, F/R	21	21	---
Total	102	101	1

4. Details of Annual/Extraordinary General Meetings:

Location and time of General Meetings held in past 3 years

Year	AGM/EGM	Location	Date	Time
2006-07	AGM	Kamarajar Memorial Hall 573, Anna Salai, Teynampet , Chennai - 600006	29-12-2007	10.45 A.M
	EGM	Rani Seethai Hall 601, Anna Salai Chennai – 600 006	19-03-2008	02.45 P.M.
2007-08	AGM	Rani Seethai Hall 601, Anna Salai Chennai – 600 006	30-12-2008	10.45 P.M.
2008-09	AGM	Raj palace sundar 12, Dr, Durgabai Deshmukh Road, opp, Sathya Studio, R.A Puram Chennai-28	25-09-2009	10.15 A.M.

The company did not pass any resolutions through postal ballot during the financial year ended 31st March, 2010.

5. Disclosures

- There were no materially significant related party transactions, which may have potential conflict with the interests of the Company.
- The trading of Company's shares from the National Stock Exchange was suspended from 09th September 2009 due to non – submission of forms in the revised format. The Company is trying its best to get this suspension removed. The company has complied with all the requirements and it is following up with the NSEIL, Mumbai. The company believes that, NSEIL, Mumbai have some monitoring systems and our company is being monitored. The company is waiting for procedural formalities of NSEIL, Mumbai to get completed.
- The transactions with the subsidiaries and associate companies etc. of routine nature have been reported elsewhere in the Annual Report as per Accounting Standard 18 (AS-18) issued by the Institute of Chartered Accountants of India .
- The Company has adopted risk management policy and it is being reviewed by the Audit committee on regular intervals.
- All the mandatory requirements specified under clause 49 have been complied with.
- There are no material non listed Indian Subsidiary Companies in respect of which disclosures are to be given as per Sub Clause III of Clause 49 of the Listing Agreement.

6. Means of Communication

1. Financial Results are published by the Company in Trinity Mirror, Makkal Kural.
2. The Results are also displayed in URL named. www.teledatam.com. Any official news releases are also updated in the website. No specific presentation was made to financial analysts during the year.

7. Management Discussion and Analysis

Appended to this Report

8. General Shareholder's Information

1.	Dates of book closure	27/09/2010 to 30/09/2010 (both days inclusive)
2.	Venue of the Annual General Meeting (AGM)	The Music Academy, Madras, new no. 168 (Old no. 306), T.T.K. Road, Royapettah, Chennai 600 014
3.	Time and Date of AGM	09.30 A.M. 30/09/2010
4.	Financial Calendar Financial reporting for Quarter ending June 30, 2009 Quarter ending September 30, 2009 Quarter ending December 31, 2009 Quarter Ending March 31, 2010	April 2009 – March 2010
5.	Dividend Payment Date	NA
6.	The Equity Shares of Rs.2/- each are listed at	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001, Maharashtra, India. Tel : 91-22-2265 5581, 2265 5626, 2265 5860 to 61 Fax : 91-22-2265 8121 *The National Stock Exchange of India Ltd Regd office : Exchange Plaza Bandhra – Kurla Complex Bandhra (East), Mumbai – 400051 Tel : 91-22-26598236 Fax : 91-22-26598237
7.	GDR	GDR's were listed at Luxembourg Stock Exchange and NIL as on date.
8.	Listing Fees	Paid for the above exchanges till 2010-11
9.	Registered Office	Teledata Tower, First floor 37/1, Velachery Tambaram Main Road Velachery, Chennai – 600 042. Tel : +91 44 4220 7000 Fax: +91 44 2243 2727 Web: www.teledatam.com
10.	Stock Exchange Security code	BSE : 532358 NSE:TELEDATAGL LSE (GDR) CUSIP No.87931P105

* Trading in the equity shares of the Company in NSE was suspended w.e.f 09th September 2009

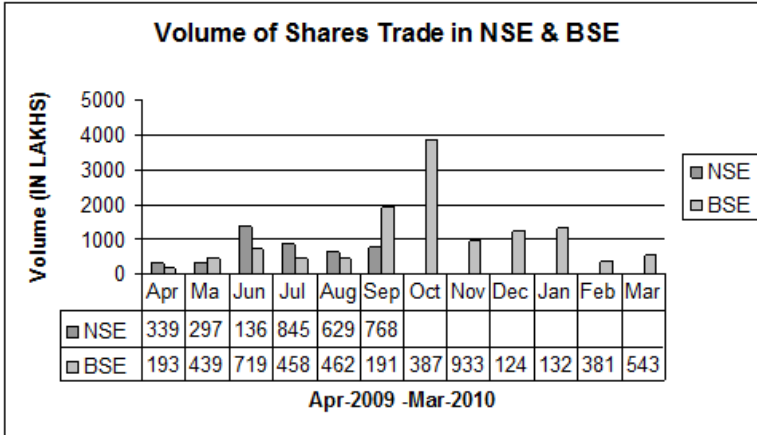
9. Stock Market Data

a) Monthly high and low quotations along with the volume of shares traded at BSE and NSE for 2009-10 are:

Month 2009	NSE		(Value In Lakhs)	BSE		(Value In Lakhs)
	High	Low		High	Low	
April	6.95	5.2	339.08	6.93	5.22	192.51
May	9.85	6	297.1	10.4	6.01	439.39
June	13.3	9	1365.48	13.26	8.96	719.13
July	9.25	7.85	845.03	9.26	7.88	457.93
August	9.3	8.1	628.88	8.11	9.3	461.68
September	9.15	7.05	767.55	5.99	9.09	1911.72
October				5.16	8.9	3878.43
November				6.06	7.41	932.78
December				5.93	6.22	1244.43
January				5.64	6.85	1325.76
February				5.1	5.9	381.49
March				4.93	5.75	543.24

b) (Source: BSE and NSE data on daily closing share price of the Company)

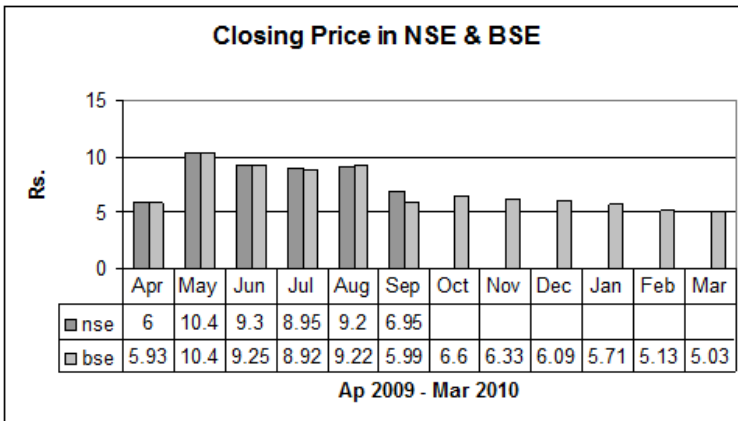
Graphical representation of volume of shares of the Company during 2009-10 is as follows:



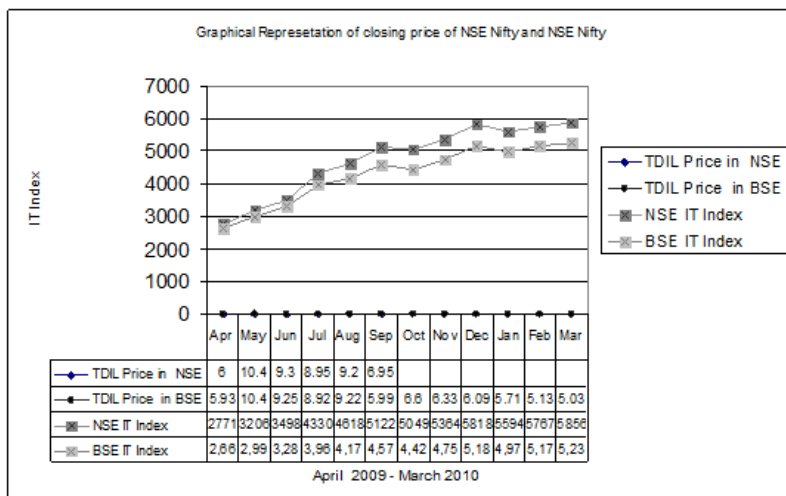
c) Closing Share prices and Indices of the Company in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

Month	TDIL Price in NSE (Rs.)	TDIL Price in BSE (Rs.)	NSE IT Index	BSE IT Index
2009				
April	6	5.93	2770.85	2,663.35
May	10.35	10.4	3206.2	2,997.55
June	9.3	9.25	3497.65	3,287.20
July	8.95	8.92	4330.05	3,962.12
August	9.2	9.22	4618.25	4,172.52
September	6.95	5.99	5122.1	4,570.91
October			6.6	5048.8
November			6.33	5364.2
December			6.09	5818.4
2010				
January			5.71	5594.15
February			5.13	5766.7
March			5.03	5855.95

Graphical Representation of closing prices of the Company in BSE & NSE



Graphical representation of closing prices of BSE 500 index and NSE Nifty



10. The Company's Transfer Agents and Depository Registrars are:

Cameo Corporate Services Ltd.,
Fifth Floor, Subramanian Building,
No.1, Club House Road,
Chennai – 600 002
Tamilnadu, India
Tel: 91-44-28460390/91/92/93
E-Mail: cameosys@satyam.net.in

11. Share Transfer System

The Company has a share transfer / Investor Grievance committee comprising of Mr.K.Padmanabhan, Managing Director, Mr. R Ravichandran – Director and Mr.N.Sakthivel – Director. Mr.N.Sakthivel is the Chairman of Committee. The share transfer documents are verified by the Registrar and the Share Transfer Committee approves the share transfers in their meeting. Mr. N.Ramanathan, Company Secretary is the compliance officer of the committee.

Details of shares transferred (in physical form) during 2009-2010 are as follows:

	2009-2010
Shares Transferred	100
No. Of Sellers	1
No. of Buyers	1
Total No. of Shares in physical mode as on 31 st March ,2010	25276291
Percentage on the Share Capital	12.85

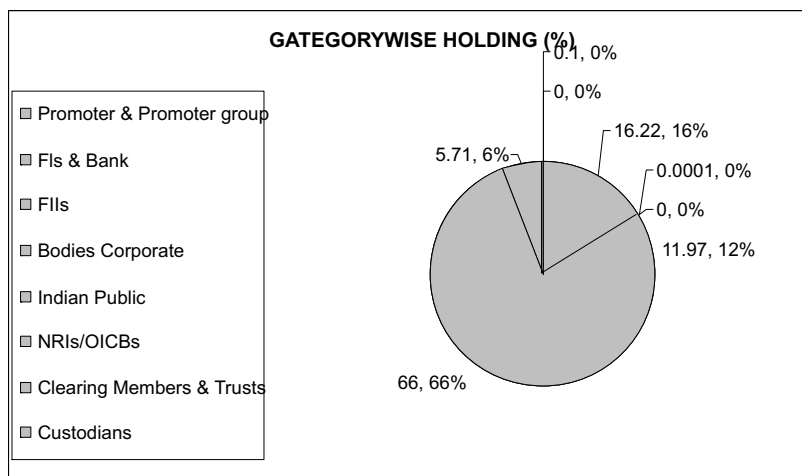
12. Distribution of Share holding as on March 31, 2010 is as follows;

Share holding		Share holders		Share amount	
Rs.	Rs.	Number	% of total	Rs.	% of total
10	- 5000	112235	92.36	100592678	25.57
5001	- 10000	5020	4.13	37493320	9.53
10001	- 20000	2339	1.92	34853090	8.86
20001	- 30000	665	0.54	16482650	4.19
30001	- 40000	358	0.29	12875224	3.27
40001	- 50000	217	0.17	9983938	2.53
50001	- 100000	404	0.33	28507358	7.24
100001	- And Above	278	0.22	152549902	38.78
Total		121516	100.00	393338160	100.00

13. Shareholding Pattern as on March 31, 2010

CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
1. Promoters		
a. Indian Promoter	31910380	16.22
b. Foreign Promoters	NIL	NIL
2. Persons acting in concert	NIL	NIL
Sub-Total (1+2)	31910380	16.22
3. Institutional Investors		
a. Mutual Funds and UTI	NIL	NIL
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	200	0.0001
c. Foreign Institutional Investors	NIL	NIL
4. Others		
a. Private Corporate Bodies	23546605	11.97
b. Indian Public	129764057	66.00
c. NRIs/OCBs	11230909	5.71
d. Foreign Collaborators	NIL	NIL
e. Foreign Companies	NIL	NIL
5. Clearing Members and Trusts	216929	0.10
Sub-Total (3+4+5)	164758700	83.78
6. Shares held by Custodians	NIL	NIL
GRAND TOTAL (1+2+3+4+5+6)	196669080	100.00

14. Graphical representation of shareholding pattern as on 31st March 2010



15. Shares de-materialised as on 31st March, 2010

No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
171392789	87.14	121125	99.67

16. Plant Location: 5th Floor, Teledata Tower, 37/1, Velachery Tambaram Main Road, Velachery, Chennai – 600 042

17. Investor's Correspondence may be addressed to:

- a. Mr.N.Ramanathan , Company Secretary
Teledata Informatics Ltd
"Teledata Tower", 37/1, Velachery Tambaram Main Road, Velachery
Chennai – 600 042.
Tel : +91 44 4220 7000, Fax: + 91 44 2243 2727
E mail for investor grievance as per listing agreement: pro@teledatain.com
Webpage: www.teledatain.com
- b. Mr.R.D.Ramasamy, Director
Cameo Corporate Services Ltd.,
Fifth Floor, Subramanian Building, No. 1, Club House Road,
Chennai – 600 002, Tamilnadu, India
Tel: 91-44-28460390/91/92/93
E-Mail: cameo@cameoindia.com

Auditors' Certificate on compliance of Corporate Governance

To the Members,
Teledata Informatics Ltd

We have examined the compliance of conditions of Corporate Governance by Teledata Informatics Ltd for the year ended 31st March, 2010 as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the Company for more than one month as per the records maintained by the Company and presented to the Investors / Shareholders 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.

For N.R.Krishnamoorthy & Co.
Chartered Accountants

Sd/-
N.R. Krishnamoorthy
Partner
Membership No.20638

Place: Chennai
Date: 30/08/2010

Management Discussion and Analysis

The year 2010 was the toughest period as some of India's software product firms were moving quickly to build an identity of its own while others shifting to more lucrative software services market.

According to reports of a research firm, Browne & Mohan, "From around \$1.89 billion in revenues during 2008-2009, the Indian product firm's revenues fell to \$ 1.64 billion during year ended March 2010, Product firms across the areas of life sciences, telecom, education and others sectors saw their revenues dip by 12% during financial year ended March 2010, as large multinational rivals such as IBM and storage vendor EMC increased their shares of the domestic market and the growing e-governance industry failed to encourage smaller vendors to bid for big contracts."

"In a country like India, piracy is very high which leaves no market for the original products. When the consumers are not willing to pay for the original product, the companies cannot flourish," says Sadagopan, a professor and industry expert.

E – governance and defence verticals were expected to generate about \$ 1.2 billion of software sales and India software firms were expecting to get a sizable share of this spend. However, "with majority of mission mode projects being BOOT or BOT model based and others setting higher qualification criteria in term of turnover or number of deployments, many first time software product vendors are recognizing the entry is difficult and sales cycles are longer than they expected," said TR Madan Mohan, Partner at Browne & Mohan, who studied around 34 successful Indian product firms and nearly 21 unsuccessful ventures to come up with the report.

Based on analysis and inputs provided by G-Cube solutions on the impending market, inputs provided by industry analysts and data available in elearning directories, current Indian elearning industry landscape can be summarized in a nut shell as below:

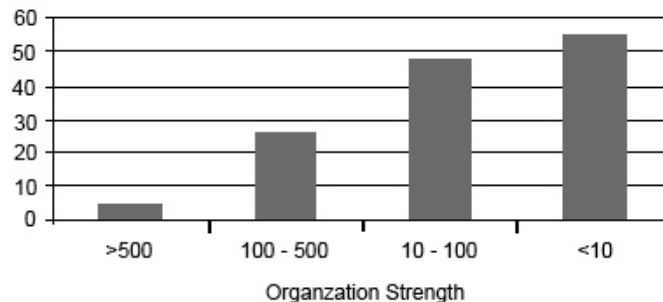
Indian elearning industry employs about 11,000 people and total revenue is estimated at \$316 million

- Domestic elearning industry is about 10% of the total industry size and stands at around \$30 million
- Indian elearning industry has been experiencing a healthy CAGR of approximately 30% over last 5 years. Except the current fiscal year, we expect the industry to grow at similar or better pace for coming few years.

A Company to estimate growth potential and growth rates of the e-learning industry should consider the following questions –

- What is the current maturity level of Indian elearning industry?
- What is the global elearning market size, and what's India's share in the same?
- What are the growth opportunities in Indian market?
- How does elearning industry numbers compare with more established 'Software & Related Services' industry numbers?

The chart below provides an insight on the size of different e-learning organizations while considering the number of employees on the other side.



It can be analyzed that we need to further strengthen the talent base to capitalize the potential.

A comparison between elearning and 'Software & Related Services' industry segments that can help us estimate growth possibilities

Particulars	Global Industry Size	Indian Industry Size	Domestic Market Size
Software & Related Services	1.6 Trillion	60 Billion – 4% of Global Market	13 Billion – 22% of Indian Industry Size
elearning	20 Billion	316 million – 1.6% of Global Market	30 million – 10% of Indian Industry Size

From the above table, it can be concluded that, all the factors that have worked in favour of 'Software & Related Services' industry (abundant talent, cost arbitrage, process maturity, adherence to standards, government support, and growing domestic market) are in place or are getting in place for elearning industry as well. Therefore, we can believe that in next decade or so, Indian elearning industry would carve out similar presence in global market as achieved by 'Software and Related Services' sector.

The elearning industry foresees the following possibilities in the forthcoming years:

1. Organizations that have achieved certain scale would go in for more and more direct presence in geographies which are big elearning consumers.
2. On domestic front, we are repeatedly improving and we will experience aggressive growth for coming few years.
3. Now that Indian corporate sector has realized benefits of elearning, a growth rate around 80 -100% may be witnessed in the years to come.

4. With an improved thrust on education and skill development by Government of India and role of technology being crucial in realizing the goals being set, there are endless opportunities that are opening up in this sector.

When reviewing these findings, it is hard to avoid the conclusion that just about everything “e-Learning” is on the increase. Clearly, we have a vibrant and growing professional practice in most areas, with the understandable exception of instructor-led classroom-based training.

However, one of the problems with e-learning in India is the lack of course content, especially outside the mainstream focus areas of IT education, English-language content and tutorial-like courses. There will be high demand for people who can develop multi-lingual courseware that addresses various topics.

However, there is significant knowledge retention. High quality e-learning solutions are being developed in India with the right technology and industry support in sectors as distinct as steel, IT, automobiles, cement and telecom. Industry watchers estimate that because of its advantages, India is bound to grow in stature as the hub for e-learning programmes.

I. Analysis of Profit and Loss Account

Turnover & other Income

The company has reported a turnover of Rs.409.86 Crores for the year ended 31st March,2010 compared to Rs. 725.12 Crores for the previous year ended 31st March, 2009.

The decline in the total turnover is mainly on account of global recession.

Expenditure

1. Purchase of Software

The purchase of Software during the period stood at Rs.318.52 compared to Rs. 553.75 Crores in the previous year. The company follows a conservative policy of writing off the expenses incurred in the same year itself on purchase of software.

2. Administrative Expenses

The Administrative expenses for the period stood at Rs.25.03 Crores compared to Rs. 19.85 Crores in the previous year.

a. Personnel Cost

The personnel cost of the period stood at Rs.6.08 crores, compared to Rs. 13.03 in the previous year, thereby showing decrease of about 53.34% which is mainly due to decrease in remuneration and number of employees.

b. Travelling and Conveyance

The travelling expenses during the period stood at Rs.0.40 Crores, compared to Rs. 1.36 Crores in the previous period. This is in tune with the reduction in turnover.

c. Miscellaneous Expenses

Miscellaneous expenses for the period stood at Rs.1.05 Crores as against Rs. 1.81 Crores in the previous year.

d. Difference in Exchange

The Loss on account of Exchange fluctuation during the period stood at Rs.7.66 Crores as against gain of Rs. 6.66 Crores during the previous year. This is due to substantial variation in the exchange rates during the year.

e. Service Charges

There was payment of 0.63 Crore for Service Charges for the period (which has been classified under Professional & Consultancy Charges) as against Rs. 0.57Crores in the previous year.

f. Others

The following major expenses have been incurred during the year against in the previous years.

1. Interest & other Finance charges

The outgo on account of interest expenses for the period stood at Rs.54.09 Crores as against Rs. 34.90 Crores in the previous year.

2. Selling & Distribution Expenses

The Selling and Distribution expenses for the period stood at Rs.2.04 Crores as against Rs.43.85 Crores during the previous year. The decrease is mainly on account of decrease in volume of sales during the year.

3. Depreciation

The depreciation for the year stood Rs.2.11 Crores as against Rs.2.23 Crores .

4. Profit before tax

Profit before tax for the period stood at Rs.2.63 Crores as against profit of Rs.77.20 Crores during the previous period.

5. Provision for tax

Provision for tax during the year is Rs.0.40 Crores.

6. Profit after Tax

The Profit after tax for the year stood at Rs.2.23 Crores as against profit of Rs. 69.11 Crores during the previous period

Analysis of Balance Sheet:

1. Share Capital

A) The Authorised Share Capital of the Company stood at Rs. 150 crores for the year ended as compared to the same in the previous year.

Paid up capital of the Company stood at Rs.39.33 Crores for the year ended 31st March 2010 as compared to the same in the previous year.

II. Reserves & Surplus

The decrease during the year under Reserves & Surplus is mainly due to decrease in Foreign Currency Translation Reserve.

III. Secured Loans

The overall Secured Loans for the period stood at Rs.392.51 Crores as compared to Rs.333.10 Crores in the previous years. This change is due to overdraft facilities from Bank.

IV. Unsecured Loans

The outstanding unsecured loans at the end of the current year was at Rs.183.27 Crores as against Rs.175.91 during the previous year.

V. Fixed Assets

The Addition to Fixed Assets during the year stood at Rs.0.09 Crores as compared to Rs.4.06 crores in the previous year.

VI. Investments

The Investments at the end of the year stood at Rs. 125.09 Crores as compared to Rs. 129.26 Crores in the previous year.

VII. Sundry Debtors

Sundry debtors stood at Rs.1699.84 crores for the period ended 31st March 2010 as against Rs.1145.50 crores in the previous year.

X.Cash and Bank Balances

The Cash and Bank Balances at the end of the year stood at Rs.5.77 as against Rs.39.77 in the previous year.

XI.Loans and Advances

Loans and Advances during the year stood at Rs.246.49 crores as against Rs.257.35 in the previous year.

XII. Current Liabilities and Provisions

a. Sundry Creditors

The outstanding sundry creditors as at 31/03/2010 stood at Rs.756.34 Crores as against Rs.305.65 Crores in the previous year.

b. Unclaimed dividend

The unclaimed dividend during the year is at Rs.0.24 crore as compared to Rs.0.24 crore in the previous year.

c.Provisions

The provisions for the year stood at Rs.46.12 Crores compared to Rs.46.10 Crores in the previous year. The increase is due to increase in provisions for gratuity & income tax.

VERTICAL - WISE CONTRIBUTION

a. Educational Software Products

Having established its firm foot in the markets of US Teledata's E-Governance solutions have gradually yet profoundly has attracted the attentions of educational institutions. The sale of Educational products during the year has stood at 221.60 accounting for 54.07% of the total turnover.

b. Energy and Utilities

This sector has witnessed triumphant share in executing energy – intensive projects of Government for providing software solutions for power generation, electric and gas distribution companies. This vertical has contributed Rs.188.26 crores towards the turnover which accounts for 45.93% of the total turnover of the company.

AUDITORS' REPORT TO THE MEMBERS OF TELEDATA INFORMATICS LTD

We have audited the attached Balance Sheet of M/s. TELEDATA INFORMATICS LTD ("the Company") as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto, in which are incorporated the returns from the USA Branch and Dubai Branch audited by another firm of auditors. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit and audit reports of overseas branches auditors.

1. We have conducted the 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.

2. As required by the Companies Auditors Report Order, 2003, as amended, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said order.

3. Financial Statements of overseas branches which reflect total assets of Rs. 143.43 crores as at March 31, 2010, total revenues of Rs.59.00 crores and net profits of Rs. 2.45 crores for the year then ended, have been audited by branch auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these overseas branches is based solely on their reports.

4. a. *We draw attention to Note No.20 of Schedule Q on booking of revenue on sale of products to marketing agents. The quantification and evaluation of amounts for products lying unsold cannot be determined.*

b. *We are unable to comment on the ultimate realisability of investments amounting to Rs.110.33 crores in Rainforest Trading Limited and amount advanced to Baytech Inc BVI to the tune of Rs.186.13 crores, due to ongoing litigation against eSys Technologies Pte Limited which is the substance of the said investments/advances as referred to in Note No.15 of Schedule Q*

c. *We draw attention to Note No.18 of Schedule Q regarding bank guarantees amounting to Rs.2.21 crores which have been invoked by customers during the year with regard to which no provision or adjustment has been made as the same is considered good and recoverable in the opinion of the management and yet to be realized from the said customers as at the Balance Sheet date.*

We are unable to express an opinion on the ultimate realisability of the said amounts.

5. Further to our comments in the Annexure referred to 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of audit have been received from the branches not visited by us;
- iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt by with this report have been prepared in all material respects in compliance with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 *except for non-compliance in respect of prescribed method of valuation of Employee Benefits and required disclosure in accordance with Accounting Standard 15 – "Employee Benefits" (Revised) and non-compliance in respect of the reinstatement of debtors, creditors and advances in accordance with Accounting Standard 11 – "Effects of Changes in Foreign Exchange Rates" (Revised);*
- v. On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors of the Company, none of the directors are disqualified as on March 31, 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956

6. *Subject to the comments made in paragraph 4 and 5 above and the effect in respect of which on the profit and loss account of the Company for the period under consideration is not ascertainable, in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give in the prescribed manner the information required by the Companies Act, 1956 of India and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010 and
- ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- iii. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **N R KRISHNAMOORTHY & CO.**
Chartered Accountants
Firm Registration Number : 001492S

N R Krishnamoorthy
Partner
Membership Number: 20638

Place: Chennai
Date: 30.08.2010

ANNEXURE referred to in paragraph 2 of our report of even date to the members of **TELEDATA INFORMATICS LTD** for the year ended 31st March 2010.

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c. The Company has not disposed off substantial part of its fixed assets during the year.
2. In our opinion, the valuation and maintenance of records of inventories is not applicable to the present activities of the Company. Therefore, clause (ii) of paragraph 4 of the order is not applicable to the Company.
3. a.
 - i. According to the information and explanations given to us, the Company has granted interest-free unsecured loans to seven parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs.202.52 crores and the year end balance of the loans was Rs. 191.41 crores.
 - ii. As explained to us by the management, the other terms and conditions of the above said loans are *prima facie* not prejudicial to the interest of the Company.
 - iii. The principal amount has not fallen due in this year as the same is payable on demand.
 - iv. There are no overdue amounts of more than rupees one lakh in respect of the loans granted and accordingly, paragraph 4 (iv)(d) of the Order is not applicable to the Company.
- b.
 - i. According to the information and explanations given to us, the Company has taken interest-free unsecured loans from three parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs. 178.11 crores and the year end balance of the loans was Rs.162.77 crores.
 - ii. As explained to us by the management, the other terms and conditions of the above said loans are *prima facie* not prejudicial to the interest of the Company.
 - iii. The principal amount has not fallen due for repayment during the year.
4. In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain items of contents and consumables for projects are for the Company's specialized requirements for which suitable alternate sources are not available to obtain comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of contents through approval by the technical committee, fixed assets and with regard to the provision of services. In our opinion and according to the information and explanations given to us, we have not observed any continuing failure to correct major weaknesses in internal controls *except in case of the sale of goods and services wherein the Company does not keep the details of the end users of the software licenses sold through the agents.*
5.
 - i. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - ii. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. This being a technical matter, we have relied on the management assessment.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public as per the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956. Accordingly, paragraph 4(vi) of the Order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956. Accordingly, paragraph 4(viii) of the Order is not applicable to the Company.
9. i. According to the information and explanations given to us, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax and other statutory dues applicable to it. As explained to us, the Company did not have any dues on account of customs duty and excise duty.
Further, since the Central Government has till date not prescribed the amount of Cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31st, 2010 for a period of more than six months from the date of becoming payable other than:
 - a. *income tax of earlier years amounting to Rs.38.44 crores and advance income tax payable for the financial year 2009-10 of Rs.0.16 Crores and*
 - b. *wealth tax, the amount in respect of which has not been ascertained by the Company.*

ii. According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax and Cess which have not been deposited on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax under the Income Tax Act, 1961 have not been deposited by the Company on account of disputes:

Assessment Year	Disputed amount (Rs. in crores)	Appeal Pending Before
1998-1999	0.38	The Income Tax Appellate Tribunal, Chennai
1999-2000	1.10	The Income Tax Appellate Tribunal, Chennai
2000-2001	2.74	The Income Tax Appellate Tribunal, Chennai
2003-2004	0.93	Honorable High Court of Madras
2004-2005	0.47	The Commissioner of Income Tax, Appeals
2006-2007	1.71	The Commissioner of Income Tax, Appeals
2007-2008	12.71	The Commissioner of Income Tax, Appeals

10. The Company has no accumulated losses and has not incurred cash losses during the immediately preceding financial year and during the financial year under audit.
11. Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of dues to banks and the advances received by the Company from the State Bank of India to the tune of Rs. 314.99 crores as on the Balance Sheet Date have been classified as Non-Performing Assets (NPAs) by the Bank with effect from June 2009.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, paragraph 4(xiii) of the Order is not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. All securities and other investments have been held by the Company in its own name except in case of investments in certain foreign companies where shares are held by its directors/nominees as referred to in Note No. 15(a) of Schedule Q of notes to accounts wherein the share certificate for the investments are not in name of the Company.
15. According to the information and explanations given to us, the Company has given guarantees to banks and financial institutions for loans taken by its wholly owned subsidiary Baytech Inc BVI for investment in Esys Technologies Pte Limited, Singapore in respect of which, we are informed that the same is not prejudicial to the interests of the Company. The Company is of further opinion that the corporate guarantees given to the parties other than the subsidiaries are in the ordinary course of business and hence not prejudicial to the interests of the Company.
16. In our opinion and according to the information and explanations given to us, the Company did not have any Term Loans outstanding during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable to the Company.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year, to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, paragraph 4(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our audit. Accordingly, paragraph 4(xix) of the Order is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year. Accordingly, paragraph 4 (xx) of the Order is not applicable to the Company.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **N R KRISHNAMOORTHY & CO.**
Chartered Accountants
Firm Registration Number: 001492S

N R Krishnamoorthy
Partner
Membership Number: 20638

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. Crore)

Particulars	Schedule	As at 31st March, 2010		As at 31st March, 2009	
SOURCES OF FUNDS					
Share Holders' Funds					
Share Capital	A	39.33		39.33	
Reserves and Surplus	B	<u>672.91</u>	712.24	<u>681.43</u>	720.76
Loan Funds					
Secured Loans	C	392.51		333.10	
Unsecured Loans	D	<u>183.27</u>	575.78	<u>175.91</u>	509.01
Deferred Tax Liability / (Asset) (net)			1.43		1.48
TOTAL			<u>1,289.45</u>		<u>1,231.25</u>
APPLICATION OF FUNDS					
Fixed Assets	E				
Gross Block		195.78		198.14	
Less: Depreciation		<u>100.34</u>		<u>99.45</u>	
Net Block		95.44		98.68	
Capital Work In Progress		-		<u>0.01</u>	
Net Block			95.44		98.69
Investments	F		125.09		129.26
Current Assets, Loans and Advances					
Current Assets	G				
Sundry Debtors		1,699.84		1,145.50	
Cash and Bank Balances		5.77		39.77	
Other Current Assets		<u>7.66</u>		<u>9.63</u>	
		1,713.27		1,194.90	
Loans and Advances	H	<u>246.49</u>		<u>257.35</u>	
		1,959.76		1,452.25	
Less: Current Liabilities and Provisions					
Current Liabilities	I	844.72		402.85	
Provisions	J	<u>46.12</u>		<u>46.10</u>	
		890.84		448.95	
Net Current Assets			1,068.92		1,003.30
TOTAL			<u>1,289.45</u>		<u>1,231.25</u>
Significant Accounting Policies	P				
Notes on Accounts	Q				

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date

For N.R. KRISHNAMOORTHY & CO
Chartered Accountants

For and on behalf of the board

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

K.Padmanabhan
Managing Director

N.R.Krishnamoorthy
Partner
Membership Number : 20638

N.Ramanathan
Company Secretary

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

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

(Rs. Crore)

Particulars	Schedule	2009-10	2008-09
INCOME			
Turnover	K	409.86	725.12
Other Income	L	0.20	9.75
Total		<u>410.06</u>	<u>734.87</u>
EXPENDITURE			
Purchases and Outsourcing Expenses (net of returns)		318.52	553.75
Project Expenses		5.64	3.09
Administrative Expenses	M	25.03	19.85
Selling and Distribution Expenses	N	2.04	43.85
Interest and Finance Charges	O	<u>54.09</u>	<u>34.90</u>
Total		<u>405.32</u>	<u>655.44</u>
Profit Before Tax and Depreciation		4.74	79.43
Depreciation	E	<u>2.11</u>	<u>2.23</u>
Profit Before Tax		2.63	77.20
Provision for Taxes			
- Current Tax		0.46	7.37
- Deferred Tax		(0.06)	0.57
- Fringe Benefit Tax		<u>-</u>	<u>0.15</u>
Profit after Tax before earlier years tax		<u>2.23</u>	<u>69.11</u>
Less: Income Tax for Earlier Years		-	-
Profit After Tax		<u>2.23</u>	<u>69.11</u>
Add: Balance Brought Forward from the Previous Year		484.85	415.74
Balance Carried to Balance Sheet		<u>487.08</u>	<u>484.85</u>
Basic Earnings Per Share of Rs.2 each (in Rupees)		0.11	3.51
Diluted Earnings Per Share of Rs.2 each (in Rupees)		0.11	3.51
[Refer Note No. 10 of Schedule Q]			
Significant Accounting Policies	P		
Notes on Accounts	Q		

The Schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date

For and on behalf of the Board

For N.R. KRISHNAMOORTHY & CO

Chartered Accountants

N.R.Krishnamoorthy
Partner
Membership Number : 20638

Place: Chennai
Date: 30.08.2010

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

N.Ramanathan
Company Secretary

K.Padmanabhan
Managing Director

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

CASH FLOW STATEMENT FOR THE YEAR 2009-10

(Rs. Crore)

Particulars	Schedule	2009 -2010	2008 - 2009
A Cash Flow From Operating Activities			
Net Profit Before Tax		2.63	77.20
Adjustments For:			
Depreciation		2.11	2.23
Foreign Exchange (Gain) / Loss		7.66	(6.66)
Creditors written back		-	-
Sundry Written off		(0.21)	0.24
Loss on Sale of Fixed Assets		0.96	0.02
Loss on Sale of Investment		-	1.62
Interest Paid		53.00	33.11
Interest Received		(0.02)	(9.46)
Operating Profit Before Working Capital Changes		66.13	98.30
Adjustments For:			
Decrease / (Increase) in Trade And Other Receivables		(548.89)	(521.31)
Increase / (Decrease) in Currency Translation Reserve		(10.73)	17.41
Increase / (Decrease) in Trade Payables		441.73	49.00
Cash Generated from Operations		(51.76)	(356.60)
Direct Tax and Fringe Benefit Tax Paid		(0.34)	(2.50)
Net Cash From Operating Activities		(52.10)	(359.10)
B Cash Flow From Investing Activities			
Purchase of Fixed Assets		(0.09)	(2.36)
Sale of Fixed Assets		0.26	0.05
Investments in Subsidiaries / Others		4.17	(1.66)
Interest Received		(0.01)	17.91
Net Cash Used in Investing Activities		4.33	13.94
C Cash Flow From Financial Activities			
Increase / (Decrease) of Borrowings		66.77	160.80
Loss on Sale of Investment		-	-
Interest Paid		(53.00)	(33.11)
Dividend Paid		-	(0.02)
Net Cash From Financial Activities		13.77	127.66
D Net Increase in Cash and Cash Equivalents (A)+(B)+©		(34.00)	(217.50)
Cash and Cash Equivalents at Beginning of the Year		39.77	257.27
Cash and Cash Equivalents at End of the Year		5.77	39.77

Notes:

- 1 Cash and Cash Equivalents at the end of the year includes Fixed deposit of Rs.4.81 Crores (P.Y. Rs.37.80 Crores) with Banks under lien to Banks towards Credit Facilities.
- 2 Previous year figures have been regrouped, reclassified wherever applicable.

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

For N.R. KRISHNAMOORTHY & CO
Chartered Accountants

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

K.Padmanabhan
Managing Director

N.R.Krishnamoorthy
Partner
Membership Number : 20638

N.Ramanathan
Company Secretary

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	As at 31st March 2010	As at 31st March 2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
75,00,00,000 Equity Shares of Rs. 2/- each	150.00	150.00
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP 19,66,69,080 Equity Shares of Rs 2/- each	39.33	39.33
Add: Forfeited Shares Rs. 13,800/- (P.Y. Rs.13,800/-)	-	-
Of the above :		
1,79,13,255 Equity Shares are allotted as fully paid-up for consideration other than cash,		
36,08,435 Equity Shares are allotted as fully paid up by way of bonus shares by capitalising reserves.		
TOTAL	39.33	39.33
SCHEDULE - B		
RESERVES AND SURPLUS		
Capital Reserve	0.36	0.36
Securities Premium Account		
Opening Balance	72.43	72.43
Add : Premium received during the year	-	-
	72.43	72.43
General Reserve		
Opening Balance	105.36	105.36
Add: Transfer from P & L account during the year	-	-
	105.36	105.36
Foreign Currency Translation Reserve	7.68	18.43
Profit and Loss account	487.08	484.85
TOTAL	672.91	681.43
SCHEDULE - C		
SECURED LOANS		
From Banks [Refer Note No.2 of Schedule Q]		
- EPC	73.58	67.03
- Overdraft	318.90	266.00
- Others	0.03	0.07
TOTAL	392.51	333.10
SCHEDULE - D		
UNSECURED LOANS		
Loan from Directors	4.09	4.50
Loan from Body Corporates *	179.18	171.41
TOTAL	183.27	175.91

* - Includes post demerger payable to TMSL & TTSL as per Note No.1 of Schedule Q.
The above unsecured loans are repayable on demand.

TELEDATA INFORMATICS LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - E

FIXED ASSETS

(Rs.Crores)

Particulars	As at 01.04.09	Additions	GROSS BLOCK		Currency Translation Reserve	As at 31.03.10	For the period 01.04.09 to 31.03.10	DEPRECIATION		Currency Translation Reserve	As at 31.03.10	NET BLOCK	
			Deletions / Adjustments	As at 31.03.10				Deletions / Adjustments	As at 31.03.10				
Tangible Assets													
Land	14.22	-	-	14.22	-	14.22	-	-	-	-	14.22	14.22	14.22
Buildings	22.28	-	1.46	20.82	-	20.82	0.55	0.84	-	-	20.20	20.20	21.37
Computers and Accessories	4.50	0.05	0.40	4.14	(0.01)	2.07	0.51	0.15	(0.01)	-	2.42	1.72	2.43
Furniture and Fixtures	0.97	-	-	0.97	-	0.45	0.05	-	-	-	0.50	0.47	0.52
Vehicles	2.30	-	0.57	1.73	-	0.52	0.21	0.24	-	-	0.49	1.24	1.78
Office Equipments	1.60	0.04	-	1.63	(0.01)	0.32	0.07	-	-	-	0.39	1.24	1.28
Plantation Cost	56.36	-	-	56.36	-	-	-	-	-	-	-	56.36	56.36
Intangible Assets													
Softwares	95.91	-	-	-	-	95.20	0.72	-	-	-	95.92	(0.01)	0.71
TOTAL	198.14	0.09	2.43	195.78	(0.02)	99.47	2.11	1.23	(0.01)	100.34	95.44	95.44	98.67
Previous Year	194.45	4.06	0.43	198.14	0.05	97.58	2.23	0.36	0.01	99.45	98.68	98.68	96.88
Capital Work-in-Progress	0.01		0.01	-	-	-	-	-	-	-	-	-	0.01

TELEDATA INFORMATICS LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	As at 31st March, 2010		As at 31st March, 2009	
SCHEDULE - F				
INVESTMENTS				
Long Term Unquoted (At Cost, Unquoted)	Nos.		Nos.	
Investments in Shares				
Non Trade				
Teledata Marine Solutions Ltd [Equity Shares of Rs. 2 each] [Refer Note No. 15(d) of Schedule 'Q']	5,240,000	1.60	5,240,000	1.60
Teledata Technology Solutions Ltd [Equity Shares of Rs. 2 each]	5,000,000	1.00	5,000,000	1.00
Investments in Indian Subsidiary Companies				
Non Trade				
Teledata Education Management Systems Limited representing 100% of Equity Shares of Rs. 10 each	50,000	0.05	50,000	0.05
Teledata Education And Research Foundation Ltd representing 100% of Equity Shares of Rs 2 each	500,000	0.10	500,000	0.10
Teledata Channel for Instant Payment Systems Ltd representing 100% of Equity Shares of Rs. 10/- each	50,000	0.05	50,000	0.05
Investments in Overseas Subsidiary Companies				
Non Trade				
Insoft Systems Pte Ltd., Singapore representing 100% of Equity Shares of 1 SGD each	400,000	1.52	400,000	1.52
Rain Forest Trading Company Ltd. (SPV) representing 12.14% of Equity Shares of USD 1 each [Refer Note No. 15(a) & (b) of Schedule 'Q']	14,571,720	110.33	14,571,720	110.33
Net Eng. Tel Company Ltd representing 80% of Equity Shares of THB 10,000 each	1,600	0.98	1,600	0.98
Baytech Inc BVI representing 100% of Equity Shares of USD 1 each (Rs.4,418/- ; P.Y. Rs. 4,418/-)	100	-	100	-
P T Teledata Energy services Indonesia representing 90% of Equity Shares of USD 1 each [Refer Note No. 15(e) of Schedule 'Q']	500,000	1.22	500,000	1.22
Share Application Money Pending Allotment [Refer Note No.15© of Schedule Q] - Insoft Systems Pte Ltd., Singapore	-	8.24	-	12.26
Short Term :				
Investment in Mutual Fund				
SBI Funds Management Private Limited [Units of Rs.10 each] (NAV Rs.2,73,500/-; PY. 4,95,000/-)		-	50,000	0.05
Franklin Templeton [Units of Rs.10/- each] (NAV Rs.6,90,455/- ; PY. Rs.8,76,288/-)		-	97,800	0.10
TOTAL		125.09		129.26

SCHEDULE - G

CURRENT ASSETS

I. SUNDRY DEBTORS

(Unsecured, Considered Good)

Debts outstanding for period exceeding six months	1,563.92		778.57	
Other Debts	135.92	1,699.84	366.93	1,145.50

II. CASH AND BANK BALANCES

Cash on Hand	0.12		0.07	
Balance with Scheduled Banks				
i) Current Account *	0.84		1.90	
ii) Deposits Account [Refer Note No.3 of Schedule Q]	4.81		37.80	
		5.77		39.77

III. OTHER CURRENT ASSETS

Income Accrued on Projects		7.66		9.63
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TOTAL		1,713.27		1,194.90
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* - Includes amount on unpaid dividend of Rs.0.24 Crore(P.Y 0.24 Crore.)

TELEDATA INFORMATICS LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - H		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Interest Accrued but not Due	0.24	0.21
Advances recoverable in cash or in kind or for value to be received		
- Capital Advances **	22.39	19.64
- Others	<u>33.73</u>	<u>47.37</u>
	56.12	67.01
Dues from Subsidiaries (including ultimate subsidiaries)	189.32	189.33
Advance Fringe Benefit Tax (net of provision)	0.04	-
Deposits with		
- Government Departments	0.02	0.02
- Others	<u>0.75</u>	<u>0.78</u>
	0.77	0.80
TOTAL	<u>246.49</u>	<u>257.35</u>

** - Includes advance for Land and Buildings Rs.13.02 Crore pending registration. (P.Y. Rs.14.94 Crores)

SCHEDULE - I

CURRENT LIABILITIES

Sundry Creditors		
Micro, Medium and Small Scale Industries [Refer Note No.25 of Schedule Q]	-	-
Creditors for Capital Expenditure	0.72	0.85
Creditors for Expenses	8.42	4.98
Trade Creditors	<u>747.20</u>	<u>299.82</u>
	756.34	305.65
Unclaimed Dividend *	0.24	0.24
Credit Balance in Current Accounts **	87.59	76.28
Provision for Loss on Contracts for Cash Flow Hedging	-	20.55
Other Current Liabilities	0.55	0.13
TOTAL	<u>844.72</u>	<u>402.85</u>

SCHEDULE - J

PROVISIONS

- for Income tax (net)	44.91	44.75
- for Fringe Benefit Tax (net)	-	0.02
- for Gratuity	1.21	1.33
TOTAL	<u>46.12</u>	<u>46.10</u>

* - There are no amounts due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

** - Represents dues payable to bank on Invocation of Bank guarantee by the custome

TELEDATA INFORMATICS LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	2009 - 10	2008 - 09
SCHEDULE - K		
TURNOVER		
Sales:		
- Exports (includes overseas branches)	400.99	721.69
- Domestic	8.87	3.43
TOTAL	409.86	725.12
SCHEDULE - L		
OTHER INCOME		
Interest Income	0.02	9.46
(Tax deducted at source Rs. Nil Previous Year Rs.2.08 Crores)		
Miscellaneous Income	0.18	0.29
TOTAL	0.20	9.75
SCHEDULE - M		
ADMINISTRATIVE EXPENSES		
Personnel Cost	5.72	11.65
Contribution to Provident Fund & ESI	0.15	0.15
Gratuity	0.16	0.03
Staff Welfare	0.05	1.20
	6.08	13.03
Rent	1.01	1.95
Rates and Taxes	0.12	0.10
Insurance	0.89	1.56
Electricity Charges	0.30	0.69
Professional and Consultancy Charges	1.47	2.77
Auditors Remuneration	0.11	0.11
Repairs and Maintenance:		
- Buildings	0.26	0.43
- Others	0.06	0.08
	0.32	0.51
Traveling and Conveyance	0.40	1.36
Printing and Stationery	0.03	0.12
Directors' Sitting Fees	0.01	0.01
Directors' Remuneration	0.27	0.26
Communication Expenses	0.33	0.52
Loss on Sale/Scrap of Assets	0.95	0.02
Loss on Sale of Investment	-	1.62
Donations	0.01	0.07
Foreign Exchange Fluctuation Loss [Refer Note No.16 of Schedule 'Q']	7.66	(6.66)
Miscellaneous Expenses	1.05	1.81
Investment Written Off [Refer Note No.15© of Schedule 'Q']	4.02	-
TOTAL	25.03	19.85
SCHEDULE - N		
SELLING AND DISTRIBUTION EXPENSES		
Advertisement	0.62	0.59
Marketing expenses	0.13	0.17
Business Promotion Expenses	0.01	0.01
Commission	1.23	2.19
Discount Allowed	0.05	40.89
TOTAL	2.04	43.85
SCHEDULE - O		
INTEREST AND FINANCE CHARGES		
Interest		
- Banks	52.98	32.97
- Others	0.02	0.14
	53.00	33.11
Bank Charges	1.09	1.79
TOTAL	54.09	34.90

TELEDATA INFORMATICS LTD

SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention from the books of accounts maintained on accrual basis, in conformity with accounting principles generally accepted in India, and comply with the accounting standards issued by the council of the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956, (the Act).

B. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

C. Revenue Recognition

- i) Revenue from software development / software products recognized on the basis of delivery of the licenses of the required software products specified in the purchase order. The company also performs time bound fixed price engagements, under which, revenues are recognized using the stages of completion method of accounting.
- ii) Income and expenditure is accounted on accrual basis.
- iii) Dividends are recorded when the right to receive payment is established.

D. Fixed Assets

- i) Fixed assets are stated at cost less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised including directly attributable financing costs relating to borrowed funds and costs of bringing the asset to working condition for its intended use.
- ii) Software product development expenditure including expenditure on upgrades and new version are capitalized on completion of the product. Cost of Software purchased and procured for product development/customisation is added to software purchase expenditure.
- iii) Capital Work in Progress comprises of all directly attributable costs of bringing the assets to their working condition for their intended use and all indirect and incidental expenses.

E. Depreciation / Amortisation

Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Software product development expenditure is amortised over a period of three years. Lease hold buildings are amortised over the period of lease.

F. Borrowing cost

Borrowing costs are recognised as an expense in the year in which they are incurred except those which are directly attributable to acquisition/construction of fixed asset, till the time such assets are ready for use, in which case the borrowing costs are capitalised as part of the cost of asset.

G. Investments

- i) Long term Investments are stated at cost. Provision for diminution in value of long term investments is made only if there is a decline other than temporary in the opinion of the management.
- ii) Current Investments are stated at cost or market value whichever is lower.

H. Foreign Currency Transactions

- i) India: Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transactions. Resultant exchange difference, arising on payment is recognised as income or expense, in the year in which they arise.
- ii) The foreign exchange gain on reinstatement of Debtors, Creditors and Advances during the year has not been recognised in the books of accounts.
- iii) The Company uses foreign exchange forward contracts to hedge for some of its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such a forward exchange contract is charged to the profit & Loss Account. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.
- iv) Any income and expenses on account of currency exchange difference either on settlement or on translation is recognised in the profit & loss account, except in accordance with schedule VI till March 31st 2010 on the amount of payables and receivables related to purchase and sales.
- v) Overseas Branches: Revenue transactions in foreign currency from overseas branches are recorded at the average exchange rate for the year, whereas the asset and liabilities are stated at closing exchange rates except for Investments for which rate prevailing on the date of investment or acquisition is applied for conversion. Resulting exchange difference, on conversion of assets and liabilities and income and expenses are transferred to Foreign Currency Translation Reserve.

TELEDATA INFORMATICS LTD

SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES

I. Forward contracts and options in foreign currencies

- i) The company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates relating to certain firm commitments and forecasted transactions. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.
- ii) The Company has planned to adopt Accounting Standard (AS) 30 on Financial Instruments: Recognition and Measurement from 1st April 2011 from the date the same becomes mandatory which requires the changes in the fair values of forward contracts and options designated as effective cash flow hedges to be recognized directly in shareholders' funds and reclassified into the profit and loss account upon the occurrence of the hedged transaction and in the absence of a designation as effective hedge, gain/loss to be recognized in the profit and loss account.
- iii) In the intervening period till 1st April 2011 the losses if any will be provided in respect of all outstanding derivative contracts at the balance sheet date marking them to market as a prudent policy in pursuance of the announcement dated 29th March, 2008 by the Institute of Chartered Accountants of India for contracts other than those to which Accounting Standard 11- The effects of Changes in Foreign Exchange rates apply.

J. Retirement Benefits

- i) The Company's Contribution to Provident Fund are charged to Profit and Loss Account.
- ii) The liability for gratuity determined as on the Balance Sheet date, as per the provisions of Payment of Gratuity Act, is provided for and this liability is not funded.
- iii) In respect of Overseas Branches, the liability for gratuity and leave encashment is provided as per the prevailing laws of the respective countries.

K. Taxes on Income

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets consisting of unabsorbed depreciation and carry forward of losses are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise these assets.

L. Earnings per share

The basic earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share, if any is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

M. Impairment

Except otherwise than for Financial Assets, Inventories and Deferred Tax Asset, the Carrying Amounts of all the Assets are reviewed at each balance sheet date to determine any indications of impairment. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

N. Provision, Contingent Liabilities and Contingent Assets

Contingent liabilities, if any, are disclosed by way of Notes on accounts. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is made in the Accounts in respect of those contingencies which are likely to materialise into liabilities after the year end, till the approval of accounts by the Board of Directors and which have material effect on the position stated in Balance sheet.

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

1 Post Composite Scheme of Arrangement

Pursuant to the Composite Scheme of Arrangement (the Scheme) under sections 391 to 394 of the Companies Act, 1956, as approved by the Honourable High Court of Judicature at Madras vide its Order dated 12th October 2007, the Company had demerged and transferred its Marine related business to Teledata Marine Solutions Ltd (TMSL) and its Technology related business to Teledata Technology Solutions Limited (TTSL) and merged Sirius Shipping Company Limited (SSCL) with TMSL, effective from the appointed date i.e. 1st November, 2006. In view of the order dated 12th October 2007, the operations from the appointed date of demerger till the balance sheet date have resulted in payable to Teledata Marine Solutions Ltd (TMSL) and Teledata Technology Solutions Ltd (TTSL) of Rs.148.15 Crore and Rs.10.53 Crore respectively.

2 Secured Loans :

- The Credit facilities from Bank are secured primarily by current assets of the Company and further secured by the fixed assets of the Company.
- The Company has offered all its fixed assets other than assets acquired on Hire Purchase for collateral in respect of the terms loans, working capital limits, Corporate guarantees given and non funded limits availed by the Company including those funded and non funded liabilities demerged to resulting Companies. The Credit facilities of the Company including fund based and non fund based limits are further secured by personal guarantees of a Director and a third party, Corporate guarantees of three Body corporates, collateral of shares pledged of director/Body corporates, certain land and buildings belonging to Directors/Body Corporates/third party.
- Bank Overdraft is further secured by bank's lien against the Fixed Deposits.

3 Deposits in Bank Account :

Deposits in bank accounts as on the date of Balance Sheet are under lien to Banks as margin for Bank Guarantee, Letter of Credit and Overdraft of the Company as per the Scheme.

4.Contingent Liabilities:

(Rs. Crore)

	Particulars	2009-10	2008-09
i.	Bank Guarantee given in the ordinary course of business (gross)	3.78	6.99
ii.	Advance Capital Commitments net of advance	13.02	17.46
iii.	Corporate Guarantee given to Bank against loan taken by wholly owned subsidiary Baytech Inc B.V.I.	189.54	213.93
iv.	Corporate Guarantees given in favour of the vendors/banks of Esys Technologies Pte. Ltd, Singapore	14.86	16.72
v.	Corporate Guarantees given in favour of the banks	284.76	284.76
vi.	Claims against the Company not acknowledged as debt *	20.04	6.88

* The Income Tax Authorities have re-opened Company's income tax assessments, for the Assessment years 1998-99, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2006-2007 and 2007-2008. The Authorities have raised demands aggregating to Rs. 20.04 Crore on various matters including the tax holiday benefits availed in respect of profits arising from the Export oriented activity of the Company against which Rs.0.08 Crore was paid till date, under protest.

The Management contends that the Company has sufficient grounds to defend its position and has filed necessary appeals against such demands. If the claim of the Income Tax authorities prevail the Company would be required to make a minimum incremental tax provision aggregating to Rs.20.04 Crore. The Company is contesting the demand and the Management, including its tax advisers, believes that its position will likely be upheld in the appellate process as it has already won its case for the assessment year 2003-04. The Company is of the opinion that the tax provision for operations during the year is sufficient and the contention of the department is not tenable.

5.Details of Auditors Remuneration:

(Rs. Crore)

	Particulars	2009-10	2008-09
i.	Audit Fees	0.10	0.10
ii.	Certification / Consultation Fees	0.01	0.03
iii.	Out of Pocket Expenses	-	-
iv.	Service Tax	0.01	0.02
	Total	0.12	0.15

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

6.Details of Managerial remuneration:

(Rs. Crore)

a. Remuneration to whole time directors:			
	Particulars	2009-10	2008-09
i.	Salary, Bonus and Perquisites	0.27	0.27
ii.	Company's Contribution to Provident fund and Other funds Rs.18,720/- (P.Y. 18,720/-)	-	-
	Total	0.27	0.27

Provision for Gratuity is not included above as the same is payable on retirement. (Rs. Crore)

b. Remuneration to non-whole time directors:			
	Particulars	2009-10	2008-09
	Directors' sitting fees	0.01	0.01
	Total	0.01	0.01

The Company is of the opinion that the computation of net profit under section 349 of the Companies Act, 1956 is not required to be made as no commission is paid / payable to the Directors for the year ended 31st March, 2010.

7 a. Provision for Taxation:

The Company is eligible for Tax Benefit under section 10B of Income Tax Act, 1961, accordingly the provision for tax has been computed considering the deduction allowable under above said section.

The Company follows territorial basis of taxation and provision has been done in respect of the foreign branches as per law of those countries. The Company is availing tax exemption under Section 10B of Income Tax Act, 1961 in respect of its export turnover from India. The Company has provided Tax on domestic turnover as per its computation on domestic tax income or Minimum Alternative Tax (MAT) under section 115JB whichever is higher.

b. Deferred Tax:

The details of deferred tax (assets) / liabilities are as follows:

(Rs. Crore)

	Particulars	2009-10	2008-09
a.	Deferred tax assets:		
i.	Provision for Gratuity	0.19	0.14
ii.	Disallowances under section 40 (a) of Income Tax Act	-	-
	Total	0.19	0.14
b.	Deferred tax liabilities:		
	Excess of Depreciation claimed under IT Act, 1961	1.63	1.62
	Total	1.63	1.62
c.	Deferred tax Asset /(Liability)(net)	(1.44)	(1.49)

The Company has not recognised deferred tax asset pertaining to Section 10B undertakings in respect of excess of depreciation charged under companies act over the depreciation claimed under Income tax Act in view of Prudence.

8 The information required by Paras 3 and 4 of part II of Schedule VI to Companies Act, 1956 is as under :

A. FOB Value of Exports (Accrual basis)

(Rs. Crore)

Description	2009-10	2008-09
FOB Value of Exports (including Overseas Branches)	400.99	721.69
Total	400.99	721.69

B. CIF Value of Imports (Accrual basis)

(Rs. Crore)

Description	2009-10	2008-09
Content creation for Software and Purchase of Softwares	318.50	553.71
Total	318.50	553.71

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

C. Expenditure incurred in Foreign Currency (Accrual Basis) (Rs. Crore)

Description	2009-10	2008-09
a. Travelling Expenses	0.02	0.01
b. Expenditure incurred at overseas Branches	56.11	92.23
Total	56.13	92.24

D. Earnings in Foreign Exchange (on receipt basis) (Rs. Crore)

Description	2009-10	2008-09
Income from Software Development & Services	86.99	266.61
Total	86.99	266.61

E. Remittance in Foreign Currencies for Dividends (Rs. Crore)

Description	No of Non-resident Share holders	Number of Equity Shares held	2009-10	2008-09
Dividend	-	-	-	-
Total			-	-

F. Quantitative Details

The Company is engaged in development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence it is not feasible to give the quantitative details of sale and other information as required under Part II of Schedule VI of the Companies Act, 1956.

- 9 The Company operates non-integral branches in United Arab Emirates and United States of America whose turnovers are Rs.59.00 Crore (Previous Year. Rs.109.26 Crore) and Rs. Nil (Previous Year. Rs.32.73 Crore) respectively and profits Rs.2.87 Crore (Previous Year. Rs 17.00 Crore) and loss of Rs.0.42 Crore (Previous Year loss of Rs 0.34 Crore) have been audited by branch auditors.

10 Calculation of Earnings per share: (Rs. Crore)

Particulars	2009-10	2008-09
a. Net Profit available for equity share holders (Rs. Crore)	2.23	69.11
b. Basic Weighted Average No. of Equity Shares (Nos.)	196,669,080	196,669,080
c. Diluted Weighted Average No. of Equity Shares (Nos.)	196,669,080	196,669,080
d. Basic Earning per share of Rs.2 each (Annualised) (in Rupees) [(a)/(b)]	0.11	3.51
e. Diluted Earning per share of Rs.2 each (Annualised) (in Rupees) [(a)/(c)]	0.11	3.51

11 Employee Benefits

The Company has not adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India [the 'revised AS 15']. The valuation of employee benefits have been done on actual basis as against the actuarial valuation on projected unit cost basis.

- 12 Foreign exchange gain of Rs.63.02 Crores on account of reinstatement of Debtors, Creditors and Advances during the year, has not been recognised in the books of accounts, resulting in non-adoption of AS 11 (Revised) "The effect of Foreign Exchange Fluctuations" issued by ICAI.

13 Accounting for Leases

Operating Lease :

Rentals are expensed with reference to lease terms and other considerations.

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

14 As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships:

(As certified by the management)

Subsidiary Companies

Sl.	Name of the Related Party	Nature of Relationship
1	Insoft Systems Pte Ltd., Singapore	Wholly Owned Subsidiary w.e.f 30.08.2004
2	I-Max Networks Limited, UK	Subsidiary of Insoft Systems Pte. Ltd. holding 80% up to 31.03.2009
3	FXA World Plc London	Investment of Insoft Systems Pte. Ltd. holding 30% w.e.f 01.04.2009
4	Teledata Education Management System Limited	Wholly Owned Subsidiary w.e.f 27.06.2006
5	Baytech Inc. BVI	Wholly Owned Subsidiary w.e.f 23.01.2007
6	Rainforest Trading Ltd (SPV)	Subsidiary (held 51% jointly with Baytech Inc.)
7	Esys Technologies Pte Ltd, Singapore	Wholly Owned Subsidiary of Rainforest Trading Ltd.
8	Net Eng Tel Co. Ltd., Thailand	Subsidiary holding 80%
9	Kryptos Networks Pvt Ltd	Erstwhile Subsidiary (upto 04.12.2008)
10	Teledata Education & Research Foundation Limited	Wholly Owned Subsidiary
11	Teledata Channel for Instant Payment Systems Limited	Wholly Owned Subsidiary
12	PT Teledata Energy Services Ltd Indonesia	Subsidiary holding 90%

Associate Companies:

Sl.	Name of the Related Party	Nature of Relationship
1	Teledata Marine Solutions Ltd	} Enterprise with Common Key management personnel
2	Teledata Technology Solutions Limited	
3	Complete Agro Biotech Solutions Pvt. Ltd.	
4	Rose Securities Pvt Ltd	
5	Silver Harvest Investment and Trading Pvt Ltd	

Key Management Personnel (KMP) with Nature of Relationship

Sl.	Name of the Related Party	Nature of Relationship
1	Gp.Capt. K. Balasubramanian IAF (Retd.)	Chairman
2	K. Padmanabhan	Managing Director
3	Gayathri Padmanabhan	Relative of KMP

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

Details of the transactions are as follows:

(Rs. Crore)

Particulars	2009-10	2008-09
a. Expenses during the year:		
<i>Associate Companies</i>		
Silver Harvest Investment and Trading Private Ltd (PY Rs.90,000/-)	0.02	0.01
b Investments made during the year :		
Teledata Channel for Instant Payment Systems Limited	-	0.05
c Loans Taken during the year from :		
<i>Key Management Personnel</i>		
<i>Subsidiaries</i>		
Teledata Education & Research Foundation Limited	1.20	-
<i>Associate Companies</i>		
Teledata Marine Solutions Ltd	23.25	283.60
Teledata Technology Solutions Limited	0.52	1.00
Rose Securities Private Ltd (P.Y. Rs.Nil)	0.02	-
d. Loans Repaid during the year to :		
Key Management Personnel	3.40	0.15
e. Loans and Advances granted during the year :		
<i>Subsidiaries</i>		
Teledata Education Management System Limited (Rs.4,740/- , PY Rs.45,814/-)	-	-
Teledata Education & Research Foundation Limited	1.20	2.35
Teledata Channel For Instant Payment System Limited (Rs.4,440/- , PY Rs.21,960/-)	-	-
Kryptos Networks Private Ltd	-	0.78
Baytech Inc., BVI	-	99.17
<i>Associate Companies</i>		
Complete Agro Biotech Solutions Pvt Ltd	1.95	10.28
Teledata Technology Solutions Limited	1.13	0.92
Teledata Marine Solutions Ltd	11.47	283.74
Silver Harvest Investment and Trading Private Ltd (Rs.21,204/- , PY Rs.10,836/-)	-	-
Rose Securities Private Ltd (Rs.815/-, P.Y. Rs.11,679/-)	-	-
f. Loans and Advances recovered during the year :		
<i>Subsidiaries</i>		
Baytech Inc. BVI	-	39.17
<i>Associate Companies</i>		
Vanguard Technologies India Private Limited	-	1.51
Complete Agro Biotech Solutions Pvt Ltd	15.38	0.36
g. Closing Balance of Advances (Dr Balances) :		
<i>Subsidiaries</i>		
Baytech Inc. BVI	186.13	186.13
Teledata Education Management System Limited, India	0.79	0.79
Teledata Education & Research Foundation Limited	2.36	2.36
Teledata Channel for Instant Payment System Ltd Rs.26400/- (PY Rs.21,960/-)	-	-
Teledata Education & Research Foundation Trust	0.02	0.02
I Max Networks Ltd	-	0.03
<i>Associate Companies</i>		
Complete Agro Biotech Solutions Pvt Ltd	2.10	15.53
h. Closing Balance of Advances (Cr Balances) :		
<i>Key Management Personnel</i>	4.09	4.50

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

Details of the transactions are as follows:

(Rs. Crore)

Particulars	2009-10	2008-09
<i>Subsidiaries</i>		
E Sys Information Technologies Limited	33.22	33.22
<i>Associate Companies</i>		
Teledata Marine Solutions Ltd (Refer Note No.1 above)	148.15	139.76
Teledata Technology Solutions Limited	10.53	11.15
Vanguard Technologies India Private Limited	0.82	0.82
Siler Harvest Investment and Trading Pvt Ltd (PY Rs.34,275/-)	0.03	-
Rose Securities Private Ltd (P.Y. Nil)	0.01	-
i. Directors' Remuneration :		
<i>Key Management Personnel</i>	0.27	0.27
j. Director's Sitting fees		
<i>Key Management Personnel</i>	0.01	0.01

15 Investments /Advance to subsidiaries & Associates

- a. During the year 2008-09, the Company divested 3% stake in Rainforest Trading Limited (SPV), whereas, the divestment did not materialize and as on date, the Company holds directly (12.14%) and through its wholly owned subsidiary Baytech Inc. BVI (38.86%), aggregating 51% equity interest in Rainforest Trading Limited (Special Purpose Vehicle (SPV)) holding eSys Technologies Pte. Limited. The Company has advanced to its wholly owned subsidiary Baytech Inc BVI of Rs 186.13 Crore towards repayment of loans taken for acquisition of eSys Technologies Pte Limited. The company has initiated legal proceedings for the breach of terms of share purchase agreement against Vikas Goel , The Managing Director of eSys Technologies Pte Ltd and eSys Technologies Pte Ltd, Singapore and presently matter is subjudice. Considering the above , the Company has not consolidated results of SPV.

The Company is yet to receive share certificates for equity shares in respect of its investment of Rs 110.33 Crore (USD 25 Million) in its name, which currently has been held fully by Baytech Inc. BVI its wholly owned Subsidiary. In the opinion of the management the same are held by Baytech Inc as nominee share holders towards beneficial holding of company in respect of which necessary declaration has been taken from Baytech Inc. BVI.

- b. The Company has pledged its investments in Baytech Inc and Rainforest Trading Private limited as collateral security and has given guarantee for loan taken by Baytech Inc. BVI of Rs 189.54 Crore (P.Y Rs.213.93 Crore) ie USD 41.98 Million (P.Y USD 41.98 Million) for acquisition of 38.86% stake in Rainforest Trading Limited. The company has not considered the accounts of subsidiary company during the current year because of the ongoing litigation.
- c. The Company's Investment in share application of Insoft Systems Pte Ltd, Singapore of Rs.8.24 Crore are still pending allotment and approvals from authorities concerned. During the year, Insoft Systems Pte Ltd has written off its investment in Imax Networks , London because of Non performance and consequently, the Company's investment in Insoft Systems Pte Ltd is written off by Rs.4.02 Crores.
- d. Pursuant to the Composite Scheme of Arrangement sanctioned by Honourable High Court of Madras , Vide its order dated 12th October 2007 , Teledata Informatics Ltd was entitled to 2,40,000 Equity Shares of Rs.2 each against its holding of 1,20,000 Equity Share of Sirius shipping Company Limited of Rs.10 each (ie. 2 shares of Rs.2 each for every one share of Rs 10 held). The Shares are yet to be allotted to the company in view of the litigation which is pending before Honourable Company Law Board , Southern Region Branch, Chennai.
- 16 In pursuance of the announcement dated 29th March, 2008 of the Institute of Chartered Accountants of India on Accounting for Derivatives, the Company has valued its derivative contracts by marking them to market. The Company does not have any Forward Contract Outstanding as on 31st March 2010. All the Derivative Contracts entered in to by the Company have been settled before 31st March 2010 and the provision in respect of those Contracts of Rs.20.55 Crore has been credited to the Profit & Loss A/c. The Company does not hold or issue derivative financial instruments for trading or speculative purposes and all the derivative entered into by the Company are to mitigate or offset the risks that arise from their normal business activities only. The Company intends to go for adoption of AS - 30 on Financial Instruments: Recognition and Measurement from 1st April 2011 since it will take some time on account of associated complexities and documentation requirements.
- 17 As of the balance sheet date, the Company has net foreign currency exposure (other than overseas branches) that are not hedged by a derivative instrument or otherwise amounting to Rs.654.10 (Previous Year Rs.320.68 Crore) in respect of payables and Rs 1577.45 Crore (Previous Year. Rs.1236.59 Crore) in respect of receivables.
- 18 Balances in sundry debtors, loans and advances and other current assets are subject to confirmation. The company had initiated the process of obtaining of confirmations during the year and partially obtained confirmations from third parties for the balances at the end of the year.

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS

- 19 During the year the customers have invoked Inland Bank Guarantee (BG) amounting to Rs 2.21 Crores for non performance of terms and conditions of Contract with customer.
- 20 The Company has made arrangements with certain Overseas Creditors for necessary collections of receivable from certain Overseas Customers. The Company has during the year called off the said arrangement since there was no improvement .
- 21 The Company has marketing agreement with marketing agents in various countries through whom products are sold. In the absence of any sales returns over the past years the revenue is recognised on sale of products to marketing agencies irrespective of confirmation by the marketing agents for the sale of products to ultimate customers. The information in respect of the products lying unsold with the marketing agencies at the end of the year is not available.
- 22 The National Stock Exchange of India has suspended the trading in the shares of the Company with effect from 09th September 2009 due to non compliances. The Company is taking necessary steps to ensure compliances in future.
- 23 The Loan accounts of the Company with State Bank of India, Overseas Branch, Chennai have been classified as Non Performing Assets (NPA) during the year and the Company is taking steps to regularise all the accounts.
- 24 In the opinion of the management the plantation is subsisting as on the date of balance sheet and is of the value stated and no impairment is deemed necessary. The valuation of the plantation being technical matter the auditors have relied on the representation of the management.
- 25 **Segment Reporting**
As per Accounting Standard 17 - "Segment Reporting" segment information has been provided in the Notes to accounts of Consolidated Financial Statements.
- 26 The management is currently in the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Medium and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such medium and small enterprises as at 31st March, 2010 has not been made in the financial statements.
- 27 The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our Report of even date

For N.R. KRISHNAMOORTHY & CO
Chartered Accountants

N.R.Krishnamoorthy
Partner
Membership Number : 20638

Place: Chennai
Date: 30.08.2010

For and on behalf of the Board

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

N.Ramanathan
Company Secretary

K.Padmanabhan
Managing Director

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details

Registration Number	019024	State Code	18
Balance Sheet Date	31/Mar/10		

II) Capital Raised During the year (Rs. In Crores)

Public Issue	Nil	Bonus Issue	Nil
Rights Issue	Nil	Private Placement	Nil

III) Position of Mobilisation and Deployment of Funds (Rs. In Crores)

Total Liabilities	2,180.29	Total Assets	2,180.29
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Sources of funds

Paid up Capital	39.33	Reserves and Surplus	672.91
Secured Loans	392.51	Unsecured Loans	183.27
Deferred Tax Liability	1.43		

Application of Funds

Net Fixed Assets	95.44	Investments	125.09
Net Current Assets	1,068.92	Miscellaneous Expenditure	-

IV) Performance of the Company (Rs. In Crores)

Turnover	409.86	Total Expenditure	405.32
Profit before tax	2.63	Profit after tax	2.23
Basic / Diluted Earning Per Share (Rs.)	0.11	Dividend Rate (%)	

V) General Name of Principle products/SERVICES OF COMPANY(As per monetary terms)

Item Code No. (ITC Code)	85249009-10
Product Description	COMPUTER SOFTWARE

**AUDITORS' REPORT TO THE MEMBERS OF
TELEDATA INFORMATICS LTD**

We have audited the attached Consolidated Balance Sheet of M/s. **TELEDATA INFORMATICS LTD** ("the Parent Company") and its subsidiaries (collectively known as "the Group") as at March 31, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

1. 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. We did not audit the financial statements of subsidiaries of the Company whose financial statements reflect total assets (net) of Rs 3.29 Crores as at 31st March, 2010, total revenues of Rs.11,301 and aggregate losses of Rs.16,125 for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other Auditors. (Refer Note no. 4 (a) of Schedule Q)

3. We report that certain subsidiaries as disclosed in Note No 4 (b) of Schedule Q have been consolidated on the basis of *unaudited financial statements which reflect total assets (net) of Rs.36.62 Crores as at 31st March, 2010, total revenues of Rs.3.0 Crores and aggregate losses of Rs.16.95 Crores for the year ended on that date. The financial statements of these subsidiaries have been certified by the management and have been furnished to us and in our opinion in so far as it relates to the amounts included in respect of the subsidiaries are based solely on certified unaudited financial statements. We have relied on management certifications for elimination of inter-company transactions of the group in the absence of any confirmation from the directors/auditors of group companies.*

4. *We report that the Group has not consolidated the results of a subsidiary company i.e. PT Teledata Energy Services, Indonesia in accordance with AS 21 on "Consolidated Financial Statements" (Refer Note No. 2(h) of Schedule Q) in the absence of any financials to this effect. We also report that the Group has not consolidated the results of the subsidiary companies i.e., Baytech Inc. BVI and Rainforest Trading Ltd (SPV) in accordance with AS 21 on "Consolidated Financial Statements" (Refer Note No. 2(h) of Schedule Q) due to the ongoing legal proceedings against eSys Technologies Pte Ltd, Singapore which is a wholly owned subsidiary of Rainforest Trading Ltd (SPV). Effectively the profit and loss account and balance sheet is understated to the extent of financials of these subsidiaries.*

5. *We draw attention to Note No. 20 of Schedule Q on booking of revenue on sale of products to marketing agents by the Parent Company. Though the amounts are received in the normal course of the business, the quantification and evaluation of amount lying unsold cannot be determined.*

6. *We are unable to comment on the ultimate realisability of investments amounting to Rs.110.33 crores made by the Parent Company in Rainforest Trading Limited and amount advanced to Baytech Inc BVI to the tune of Rs.186.13 crores due to ongoing litigation against eSys Technologies Pte limited which is the substance of the said investment/advances as referred to in Note No. 15(a) of Schedule Q*

7. *We draw attention to Note No.18 of Schedule Q regarding bank guarantees amounting to Rs.2.21crores which have been invoked by a customer during the year which is yet to be realized from the said customer as at the Balance Sheet date.*

We are unable to express an opinion on the ultimate realisability of the said amounts.

8. *The Group has not complied in respect of prescribed method of valuation of Employee Benefits and required disclosure in accordance with Accounting Standard 15 – "Employee Benefits" (Revised) and in respect of the reinstatement of debtors, creditors and advances in accordance with Accounting Standard 11 – "Effects of Changes in Foreign Exchange Rates" (Revised).*

9. Subject to the comments given in paragraph 4 above, we report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 – "Consolidated Financial Statements" prescribed by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited/examined financial statements of the Company and its subsidiaries included in the consolidated financial statements.

10. Based on our audit and on considerations of reports of other auditors on separate financial statements and on other financial components and Management certified financial statements of subsidiaries mentioned above, and to the best of our information and according to the explanations given to us, subject to the comments made in paragraphs 3,4,5,6,7,8 and 9 above, we are of the opinion that, the attached group financial statements read together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India

- i. In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2010 and
- ii. In the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date.
- iii. In the case of the consolidated Cash Flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For NR KRISHNAMOORTHY & CO.
Chartered Accountants
Firm Registration Number: 001492S

N R Krishnamoorthy
Partner
Membership Number: 20638

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. Crore)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	A	39.33	39.33
Reserves and Surplus	B	650.81	621.43
		690.14	660.76
Minority Interest			
		0.30	0.44
Loan Funds			
Secured Loans	C	392.89	531.35
Unsecured Loans	D	185.00	180.94
		577.89	712.29
Deferred Tax Liability		1.43	1.48
TOTAL		1,269.76	1,374.97
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	196.22	199.09
Less: Depreciation		100.70	100.09
Net Block		95.52	99.00
Capital Work In Progress		-	0.01
Net Block		95.52	99.01
Goodwill / (Capital Reserve) on Consolidation (net)		(44.67)	(26.82)
Investments	F	135.57	462.75
Current Assets, Loans and Advances			
Current Assets			
	G		
Inventories			
Sundry Debtors		1,703.16	1,149.83
Cash and Bank Balances		6.18	40.10
Other Current Assets		7.66	9.63
		1,717.00	1,199.56
Loans and Advances	H	258.07	107.57
		1,975.07	1,307.13
Less: Current Liabilities and Provisions			
Current Liabilities	I	845.61	420.94
Provisions	J	46.12	46.16
		891.73	467.10
Net Current Assets		1,083.34	840.03
TOTAL		1,269.76	1,374.97
Significant Accounting Policies	P		
Notes on Accounts	Q		

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

For N.R. KRISHNAMOORTHY & CO
Chartered Accountants

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

K.Padmanabhan
Managing Director

N.R.Krishnamoorthy
Partner
Membership Number : 20638

N.Ramanathan
Company Secretary

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

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

(Rs. Crore)

Particulars	Schedule	2009 - 10	2008 - 09
INCOME			
Turnover	K	412.83	3,030.73
Other Income	L	0.23	32.27
Total		413.06	3,063.00
EXPENDITURE			
Purchases and Outsourcing Expenses (net of returns)		320.49	2,694.54
Project Expenses		5.64	3.09
Administrative Expenses	M	42.52	139.23
Selling and Distribution Expenses	N	2.28	105.09
Interest and Finance Charges	O	54.31	57.05
Total		425.24	2,999.00
Profit Before Tax and Depreciation		(12.18)	64.00
Depreciation	E	2.14	8.82
Profit Before Tax		(14.32)	55.18
Provision for Taxes			
-Current Tax		0.46	8.29
-Deferred Tax		(0.05)	0.58
-Fringe Benefit Tax		-	0.25
Net Profit of the year before Minority Interest		(14.73)	46.06
Less: Minority Interest		(0.18)	2.27
Net Profit for the year		(14.55)	43.79
Add: Balance Brought Forward from the previous Year		433.11	470.04
Surplus before adjustments on Consolidation		418.56	513.83
Less: Profits/Losses of Subsidiaries not considered Previous Year		-	-
Less: Baytech Inc Carryforward loss not considered this year		(35.80)	-
Less: Post acquisition Profits/(Losses) on Cessation of Subsidiaries		(0.12)	80.72
Balance Carried to Balance Sheet		454.48	433.11
Basic Earnings Per Share of Rs.2 each (in Rupees)		(0.74)	2.23
Diluted Earnings Per Share of Rs.2 each (in Rupees)		(0.74)	2.23
[Refer Note No. 10 of Schedule Q]			
Significant Accounting Policies	P		
Notes on Accounts	Q		

The Schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date

For and on behalf of the Board

For N.R. KRISHNAMOORTHY & CO

Chartered Accountants

N.R.Krishnamoorthy
Partner
Membership Number : 20638

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

N.Ramanathan
Company Secretary

K.Padmanabhan
Managing Director

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

Place: Chennai
Date: 30.08.2010

TELEDATA INFORMATICS LTD

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2009-10

(Rs. Crore)

Particulars	Schedule	2009 -2010	2008 - 2009
A Cash Flow From Operating Activities			
Net Profit Before Tax		(14.32)	55.19
Adjustments For:			
Depreciation		2.14	8.82
Foreign Exchange (Gain) / Loss		7.65	(13.08)
Bad Debts written off		-	1.16
Sundry Written off		(0.21)	0.24
Loss on Sale of Fixed Assets		0.95	0.02
Loss on Sale of Investment		-	17.42
Interest Paid		53.21	55.24
Interest Received		(0.02)	(11.22)
Operating Profit Before Working Capital Changes		65.38	113.79
Adjustments For:			
Decrease / (Increase) in Inventories		-	214.88
Decrease / (Increase) in Trade And Other Receivables		(547.07)	743.64
Adjustments on Consolidation on acquisition/disposal of subsidiaries		(0.04)	(613.28)
Increase / (Decrease) in Currency Translation Reserve		(9.84)	45.43
Increase / (Decrease) in Trade Payables		440.76	(871.37)
Cash Generated from Operations		50.73	(366.91)
Direct Tax and Fringe Benefit Tax Paid		(0.52)	(6.01)
Net Cash From Operating Activities		(51.25)	(372.92)
B Cash Flow From Investing Activities			
Purchase of Fixed Assets		0.12	90.41
Decrease / (Increase) in Goodwill on acquisition/cessation of Subsidiaries		13.96	200.33
Sale of Fixed Assets		0.26	0.04
Purchase of Investments		(10.95)	(230.98)
Interest Received		(0.01)	19.67
Net Cash Used in Investing Activities		3.38	79.47
C Cash Flow From Financial Activities			
Increase / (Decrease) of Borrowings		67.18	60.75
Interest Paid		(53.21)	(55.25)
Dividend Paid		-	(0.02)
Net Cash From / (Used in) Financial Activities		13.97	5.48
D Net Increase in Cash And Cash Equivalents		(33.93)	(219.40)
Cash and Cash Equivalents at Beginning of the Year		40.08	328.05
Cash and Cash Equivalents on Cessation of Subsidiaries		0.03	(68.57)
Cash and Cash Equivalents at End of the Year		6.18	40.08

Notes:

- Cash and Cash Equivalents at the end of the year includes Fixed deposit of Rs.4.89 Crores (P.Y. Rs.38.02 Crores) with Banks under lien to Bank towards credit facilities.
- Cash flow statement of the subsidiaries as certified by the management of the parent company has been considered for Consolidation.
- Adjustments on Consolidation on acquisition/disposal of subsidiaries represents effect on movement in Minority Interest, Profit and loss account surplus and Deferred tax effect on disposal and acquisition of subsidiaries.
- Previous year figures have been regrouped, reclassified wherever applicable.
This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

For N.R. KRISHNAMOORTHY & CO
Chartered Accountants

N.R.Krishnamoorthy
Partner
Membership Number : 20638

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

N.Ramanathan
Company Secretary

K.Padmanabhan
Managing Director

N.Sakthivel
Director

Place:Chennai
Date: 30.08.2010

Place:
Date:30.08.2010

TELEDATA INFORMATICS LTD

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
75,00,00,000 Equity Shares of Rs. 2/- each	150.00	150.00
ISSUED, SUBSCRIBED AND CALLED UP		
19,66,69,080 Equity Shares of Rs 2/- each	39.33	39.33
Add: Forfeited Shares (Rs.13,800/- ; P.Y. Rs.13,800/-)	-	-
Of the above : 1,79,13,255 Equity Shares are allotted as fully paid-up for consideration other than cash, 36,08,435 Equity Shares are allotted as fully paid up by way of bonus shares by capitalising reserves.		
TOTAL	<u>39.33</u>	<u>39.33</u>
SCHEDULE - B		
RESERVES AND SURPLUS		
Capital Reserve	0.36	0.36
Securities Premium Account		
Opening Balance	72.43	72.43
Add : Premium received during the year	<u>72.43</u>	<u>72.43</u>
	72.43	72.43
General Reserve		
Opening Balance	105.36	105.36
Add: Transfer from P & L account during the year	<u>105.36</u>	<u>105.36</u>
	105.36	105.36
Foreign Currency Translation Reserve	18.18	10.17
Profit and Loss account	454.48	433.11
TOTAL	<u>650.81</u>	<u>621.43</u>
SCHEDULE - C		
SECURED LOANS		
From Banks [Refer Note No.6 of Schedule Q]		
- EPC	73.58	67.02
- Overdraft	318.90	249.89
- Others	<u>0.41</u>	<u>214.44</u>
TOTAL	<u>392.89</u>	<u>531.35</u>
SCHEDULE - D		
UNSECURED LOANS		
Loan from Directors	5.40	4.95
Loan from Associates *	179.60	175.99
TOTAL	<u>185.00</u>	<u>180.94</u>

* - Includes Post demerger payable to TMSL & TTSL as per Note No. 5(l) of Schedule Q
The above unsecured loans are repayable on demand.

TELEDATA INFORMATICS LTD

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - E

FIXED ASSETS

(Rs. Crore)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 01.04.09	Additions	Deletions / Adjustments	Deletions on Consolidation	Currency Translation Reserve	As at 31.03.10	As at 01.04.09	For the year	Deletions / Adjustments	Deletions on Consolidation	Currency Translation Reserve	As at 31.03.10	As at 31.03.09
Tangible Assets													
Land	14.21	-	-	-	-	14.21	-	-	-	-	-	14.21	14.21
Buildings	22.28	-	1.46	-	-	20.82	0.91	0.55	0.83	-	-	20.19	21.37
Computers & Accessories	4.98	0.05	0.67	0.18	(0.03)	4.15	2.31	0.52	0.34	0.06	(0.02)	1.74	2.67
Furniture and Fixtures	1.18	-	0.03	-	(0.01)	1.14	0.62	0.06	0.03	-	(0.01)	0.50	0.56
Vehicles	2.39	-	0.57	-	-	1.82	0.62	0.21	0.24	-	-	1.23	1.77
Office Equipments	1.77	0.05	-	-	(0.02)	1.80	0.44	0.08	-	-	-	1.28	1.33
Plantation Cost	56.37	-	-	-	-	56.37	-	-	-	-	-	56.37	56.37
Intangible Assets													
Softwares	95.91	-	-	-	-	95.91	95.19	0.72	-	-	-	-	-
Other Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	0.72
TOTAL	199.09	0.10	2.73	0.18	(0.06)	196.22	100.09	2.14	1.44	0.06	(0.03)	100.70	95.52
Previous Year	252.65	5.82	0.48	69.92	11.01	199.09	113.49	8.82	0.42	25.40	3.60	100.09	139.17
Capital Work in Progress	0.01	-	0.01	-	-	0.01	-	-	-	-	-	0.01	0.01

TELEDATA INFORMATICS LTD

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	As at 31st March, 2010		As at 31st March, 2009	
SCHEDULE - F				
INVESTMENTS				
Long Term Unquoted (At Cost, Unquoted)	Nos.		Nos.	
Investments in Shares				
Non Trade				
Teledata Marine Solutions Ltd [Equity Shares of Rs. 2 each] [Refer Note No. 15(d) of Schedule 'Q']	5,240,000	1.60	5,240,000	1.60
Teledata Technology Solutions Ltd [Equity Shares of Rs. 2 each]	5,000,000	1.00	5,000,000	1.00
Investments in Indian Subsidiary Companies				
Non Trade				
Teledata Channel for Instant Payment Systems Ltd representing 100% of Equity Shares of Rs. 10/- each	50,000	-	-	0.05
Investments in Overseas Subsidiary Companies				
Non Trade				
Rain Forest Trading Company Ltd. (SPV) representing 12.14% of Equity Shares of USD 10 each	57,600,001	110.33	-	436.45
Baytech Inc BVI representing 100% of Equity Shares of USD 1 each	100	-	-	-
Investment in FXA World Plc by Insoft Systems Pte Ltd		21.42		22.28
P T Teledata Energy services Indonesia representing 90% of Equity Shares of USD 1 each [Refer Note No. 15(d) of Schedule 'Q']	500,000	1.22		1.22
Short Term (Unquoted)				
Short Term :				
Investment in Mutual Fund				
SBI Funds Management Private Limited [Units of Rs.10 each] (NAV Rs.2,73,500/-; PY. 4,95,000/-)		-	50,000	0.05
Franklin Templeton [Units of Rs.10/- each] NAV Rs.6,90,455/- ; PY. Rs.8,76,288/-)		-	97,800	0.10
TOTAL		<u>135.57</u>		<u>462.75</u>
SCHEDULE - G				
CURRENT ASSETS				
I. SUNDRY DEBTORS				
(Unsecured, Considered Good)				
Debts outstanding for period exceeding six months	1,563.92		778.57	
Other Debts	139.24		371.26	
		1,703.16		1,149.83
II. CASH AND BANK BALANCES				
Cash on Hand	0.12		0.08	
Balance with Scheduled Banks				
i) Current Account *	0.84		1.92	
ii) Deposits Account [Refer Note No.7 of Schedule Q]	4.81		37.80	
Balances with Unscheduled Banks				
i) Current Account	0.01		0.04	
ii) Deposits Account	0.40		0.26	
		6.18		40.10
III. OTHER CURRENT ASSETS				
Income Accrued on Projects		7.66		9.63
TOTAL		<u>1,717.00</u>		<u>1,199.56</u>

* - Includes amount on unpaid dividend of Rs.0.24 Crore(P.Y 0.24 Crore.)

TELEDATA INFORMATICS LTD

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. Crore)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - H		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Interest Accrued but not Due	0.24	0.21
Advances recoverable in cash or in kind or for value to be received		
- Capital Advances **	24.84	22.09
- Others	<u>36.59</u>	<u>50.33</u>
	61.43	72.42
Dues from Body Corporates	195.48	33.64
Advance Fringe Benefit Tax (net of provision)	0.04	-
Loan given to director	0.11	0.12
Deposits with		
- Government Departments	0.02	0.02
- Others	<u>0.75</u>	<u>1.16</u>
	0.77	1.18
TOTAL	<u>258.07</u>	<u>107.57</u>

** - Includes advance for Land and Buildings Rs.13.02 Crores pending registration. (P.Y. Rs.14.94 Crores)

SCHEDULE - I

CURRENT LIABILITIES

Sundry Creditors		
Creditors for Capital Expenditure	0.72	0.85
Creditors for Expenses	8.42	4.98
Others	<u>747.67</u>	<u>301.50</u>
	756.81	307.33
Unclaimed Dividend *	0.24	0.24
Credit Balance in Current Accounts **	87.59	92.40
Provision for Loss on Contracts for Cash Flow Hedging	-	20.55
Other Current Liabilities	0.97	0.42
TOTAL	<u>845.61</u>	<u>420.94</u>

SCHEDULE - J

PROVISIONS

- for Income tax (net)	44.91	44.81
- for Fringe Benefit Tax (net)	-	0.02
- for Gratuity	1.21	1.33
TOTAL	<u>46.12</u>	<u>46.16</u>

* - There are no amounts due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

** - Represents dues payable to bank on Invocation of Bank guarantee by the customer

TELEDATA INFORMATICS LTD

CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. Crore)

Particulars	2009-10	2008-09
SCHEDULE - K		
TURNOVER		
Software Sales and Services		
- Exports (includes overseas branches of Parent Co.)	401.17	869.97
- Domestic	11.66	13.26
Income from Manufacturing and Distribution of Hardwares/ Softwares - Export	-	2,147.49
TOTAL	412.83	3,030.73
SCHEDULE - L		
OTHER INCOME		
Interest Income (Tax deducted at source Rs. Nil Previous Year Rs.2.08 Crores)	0.02	11.22
Exchange Difference	0.01	6.63
Miscellaneous Income	0.20	14.42
TOTAL	0.23	32.27
SCHEDULE - M		
ADMINISTRATIVE EXPENSES		
Personnel Cost	6.67	94.20
Contribution to Provident Fund & ESI	0.15	0.16
Gratuity	0.16	0.03
Staff Welfare	<u>0.05</u>	<u>1.24</u>
	7.03	95.63
Rent	1.12	7.07
Rates and Taxes	0.12	0.31
Insurance	0.90	5.40
Electricity Charges	0.32	0.77
Professional and Consultancy Charges	1.71	3.05
Auditors Remuneration	0.12	1.14
Repairs and Maintenance:		
- Buildings	0.26	0.43
- Others	<u>0.07</u>	<u>1.26</u>
	0.33	1.69
Traveling and Conveyance	0.50	3.42
Printing and Stationery	0.03	0.31
Directors Sitting Fees	0.01	0.01
Directors Remuneration	0.26	0.26
Communication Expenses	0.35	2.95
Bad Debts written off	-	1.16
Loss on Sale/Scrap of Assets	0.95	0.02
Loss on Sale of Investment	-	17.42
Donations	0.01	0.07
Foreign Exchange Fluctuation Loss	7.66	(6.45)
Miscellaneous Expenses	1.09	5.00
Preliminary Expenses	-	-
Investment Written Off	20.00	-
TOTAL	42.52	139.23

TELEDATA INFORMATICS LTD

CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. Crore)

Particulars	2009-10	2008-09
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SCHEDULE - N

SELLING AND DISTRIBUTION EXPENSES

Advertisement	0.62	0.69
Business Promotion Expenses	0.19	0.35
Commission	1.29	2.21
Discount Allowed	0.05	40.89
Marketing Expenses	0.13	60.95
TOTAL	2.28	105.09

SCHEDULE - O

INTEREST AND FINANCE CHARGES

Interest			
- Banks	53.18	55.09	
- Others	0.03	0.15	
Bank Charges		1.10	1.81
TOTAL	54.31	57.05	55.24

TELEDATA INFORMATICS LTD

SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of Preparation of Financial Statements

The consolidated financial statements of Teledata Informatics Ltd. and its subsidiaries ("the Group") are prepared under the historical cost convention and in accordance with Accounting Standard 21 on "Consolidated Financial Statement" issued by The Institute of Chartered Accountants of India.

B. Principles of Consolidation

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses which are material have been fully eliminated in respect of which auditors have relied on the management certified statement.
- ii. In the case of foreign subsidiaries the conversion of financials has been done in compliance with the Accounting Standard 11 (Accounting for the Effects of Changes in Foreign Exchange Rates). The exchange difference arising out of the year end translation is being debited or credited to Currency Fluctuation Reserve and same has been adjusted to Reserves.
- iii. The cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Net of Goodwill or Capital Reserve is shown in consolidated statements.
- iv. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit and Loss account as the profit or loss on disposal of investment in subsidiary.
- v. Minority Interest's share of net assets of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- vi. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments were made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- vii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

C. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

D. Revenue Recognition

- i) Revenue from software development / sale of software products is recognized on the basis of delivery of the licenses of the required software products specified in the purchase order. The Revenue on time bound fixed price engagements, are recognized using the stages of completion method of accounting.
- ii) Income and expenditure is accounted on accrual basis.
- iii) Revenue from sale / distribution of goods is recognised when the goods are delivered and significant risk and rewards of the ownership of the same are transferred to the Customer.
- iv) Software Consultancy Services is recognised on accrual basis when the services are rendered.
- v) Dividends are recorded when the right to receive payment is established.

E. Fixed Assets

- i) Fixed assets are stated at cost less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised in the books of the Company. In respect of Parent company fixed assets includes directly attributable financing costs relating to borrowed funds and costs of bringing the asset to working condition for its intended use.
- ii) Software product development expenditure including expenditure on upgrades and new version are capitalized on completion of the product. Cost of Software purchased and procured for product development/customisation is added to software purchase expenditure.
- iii) Capital Work in Progress comprises of all directly attributable costs of bringing the assets to their working condition for their intended use and all indirect and incidental expenses.

F. Depreciation / Amortisation

- a Depreciation for the Parent Company is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Software product development expenditure is amortised over a period of three years. Lease hold buildings are amortised over the period of lease.
- b Depreciation rates for subsidiaries (wherever applicable) for major asset blocks.

Name of the Company	Method	Furniture and Fixtures	Plant and Machinery, Office	Computer Software s/Hardwa	Motor Vehicles	Vessels
Insoft Systems Pte., Ltd, Singapore & its Subsidiaries	SLM	33.33%	NA	100.00%	NA	NA
Net Eng Tel Co. Ltd.,	SLM	20.00%	20.00%	NA	20.00%	NA

SLM means Straight Line Method and WDV means Written Down Value Method

The Depreciation policy in respect of companies which do not have any fixed assets or where the assets are insignificant are not disclosed.

TELEDATA INFORMATICS LTD

SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

G. Borrowing cost

Borrowing costs are recognised as an expense in the year in which they are incurred except those which are directly attributable to acquisition/construction of fixed asset, till the time such assets are ready for use, in which case the borrowing costs are capitalised as part of the cost of asset.

H. Inventory

Inventories are valued at cost or net realisable value whichever is lower.

I. Investments

- i) Long term Investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in the opinion of the management.
- ii) Current Investments are stated at cost or market value whichever is lower.

J. Goodwill

The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve'. The Goodwill is set off against Capital Reserve and the net figure is reflected in the financials as an asset in case of excess of Goodwill and as 'Reserves and Surplus', in case of excess of Capital Reserve in the consolidated financial statements.

K. Foreign Currency Transactions

- i) India: Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transactions. Resultant exchange difference, arising on payment is recognised as income or expense, in the year in which they arise.
- ii) The foreign exchange gain on reinstatement of Debtors, Creditors and Advances during the year has not been recognised in the books of accounts.
- iii) The Company uses foreign exchange forward contracts to hedge for some of its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such a forward exchange contract is charged to the profit & Loss Account. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.
- iv) For the purpose of Consolidation, income and expenses of the subsidiaries are translated at average rates and the assets and liabilities are stated at closing rates except for the investment of the parent in subsidiary's capital which has been converted at the rate prevailing on the date of the investment.

L. Forward contracts and options in foreign currencies

- i) The Parent company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates relating to certain firm commitments and forecasted transactions. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the parent company does not use the foreign exchange forward contracts or options for trading or speculation purposes.
- ii) The Parent company has planned to adopt Accounting Standard (AS) 30 on Financial Instruments: Recognition and Measurement from 1st April 2011 from the date the same becomes mandatory which requires the changes in the fair values of forward contracts and options designated as effective cash flow hedges to be recognized directly in shareholders' funds and reclassified into the profit and loss account upon the occurrence of the hedged transaction and in the absence of a designation as effective hedge, gain/loss to be recognized in the profit and loss account.
- iii) In the intervening period till 1st April 2011 the losses if any will be provided by the parent company in respect of all outstanding derivative contracts at the balance sheet date marking them to market as a prudent policy in pursuance of the announcement dated 29th March, 2008 by the Institute of Chartered Accountants of India for contracts other than those to which Accounting Standard 11- The effects of Changes in Foreign Exchange rates apply.

M. Retirement Benefits

- a) The Company's Contribution to Provident Fund are charged to Profit and Loss Account.
- b) The liability for gratuity determined as on the Balance Sheet date, as per the provisions of Payment of Gratuity Act, is provided for and this liability is not funded.
- c) In respect of Overseas Branches and Subsidiaries, the retirement benefits are provided as per the prevailing laws of the respective countries.

N. Lease

Assets leased by the company in the capacity of lessee where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such assets are capitalised at the inception of the lease at lower of fair value or present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

TELEDATA INFORMATICS LTD

SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

O. Taxes on Income

Tax expense comprise both Current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income tax payable in respect of the taxable income for the reporting period. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign branches and other overseas subsidiaries is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets consisting of unabsorbed depreciation and carry forward of losses are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise these assets.

P. Earnings per share

The basic earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share, if any is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

Q. Impairment

Except otherwise than for Financial Assets, Inventories and Deferred Tax Asset, the Carrying Amounts of all the Assets are reviewed at each balance sheet date to determine any indications of impairment. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

R. Provision, Contingent Liabilities and Contingent Assets

Contingent liabilities, if any, are disclosed by way of Notes to accounts. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is made in the Accounts in respect of those contingencies which are likely to materialise into liabilities after the year end, till the approval of accounts by the Board of Directors and which have material effect on the position stated in Balance sheet.

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The comparative figures of previous year are not strictly comparable with the figures for the year ended 31st March, 2010 in view of acquisitions/disposals of subsidiaries during the previous year.

2. Basis of Consolidation :

- The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Parent Company.
- The Parent Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the required disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management could be better viewed, when referred from the individual financial statements.
- The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to in the same manner as the Parent Company's Separate financial statements except in respect of accounting policies of depreciation, retirement benefit where it was not practicable to use uniform accounting policies in case of certain subsidiaries. The impact is not material in the opinion of the management.
- Inter-company balances and transactions and unrealised profits or losses if any which are material have been fully eliminated in respect of which auditors have relied on the management certified statement. Stock reserve for the Inter company transactions is not created as there is no stock as on the date of consolidation in the books of the subsidiary/Parent company as the case may be and the softwares/goods purchased is not capitalized by the purchaser.
- The Capital Reserve on Consolidation of Rs. 44.67 Crore shown in the accounts are net of Goodwill. In the opinion of the management the Goodwill arising on acquisition of subsidiaries/business is being tested for impairment on an annual basis as per Accounting Standard 28 "Impairment of Assets" issued by ICAI and is of the value stated and the write offs in books of the Parent company are sufficient and no more impairment is deemed necessary.
- The results of the operations of the subsidiaries with which parent/subsidiary relationship ceases to exist or has come into existence are included in the consolidated statement of profit and loss until/from the date of cessation/initiation of the relationship respectively.
- The Consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.
- The Company has not consolidated the financials of PT Teledata Energy Services Ltd Indonesia in view of non availability of audited/unaudited financial statements for the year & financials of Baytech Inc, BVI and Rainforest Trading Ltd (SPV) due to litigation against eSys Technologies Pte Ltd.

3. Particulars of Direct Subsidiaries of the Parent Company :

Sl. Name of the Company	Country of Incorporation	Percentage of Holding	
		As at 31.03.10	As at 31.03.09
1 Insoft Systems Pte., Ltd, Singapore	Singapore	100.00%	100.00%
2 Net Eng Tel Co. Ltd. (w.e.f 24-08-06)	Thailand	80.00%	80.00%
3 Kryptos Networks Pvt Ltd (up to 04-12-08)	India	-	-
4 Teledata Education Management Company Ltd	India	100.00%	100.00%
5 Teledata Education Research foundation Ltd	India	100.00%	100.00%
6 Teledata Channel for Instant Payment Systems Ltd	India	100.00%	100.00%
7 Baytech Inc. BVI (w.e.f. 23-01-07)	BVI	100.00%	100.00%
8 Rainforest Trading Ltd (SPV) and its Subsidiaries (38.86% held by Baytech Inc., BVI	BVI	12.14%	12.14%
9 PT Teledata Energy Services Ltd Indonesia	Indonesia	90.00%	90.00%

4 Following entities are considered for consolidation :

(Rs. Crore)

a . List of Audited Financials of the Subsidiaries:

Sl.	Name of the Subsidiary	Status of Financials	Tangible Assets	Revenue	Profit / (Loss)
1	Teledata Education & Research Foundation Ltd	Audited	2.46	-	-
2	Teledata Channel for Instant Payment Systems Limited	Audited	0.05	-	-
3	Teledata Education Management Systems Ltd	Audited	0.83	-	-
	Total		3.34		

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

b . List of Un-audited / Reviewed Financials of the Subsidiaries:

Sl.	Name of the Subsidiary	Status of Financials	Tangible Assets	Revenue	Profit / (Loss)
1	Insoft Systems Pte Ltd (Consolidated)	Management Certified	31.86	0.20	(16.07)
2	Net Eng Tel Company Ltd	Reviewed	4.76	2.80	(0.88)
	Total		36.62	3.00	(16.95)

5. Post Composite Scheme of Arrangement

Pursuant to the Composite Scheme of Arrangement (the Scheme) under sections 391 to 394 of the Companies Act, 1956, as approved by the Honourable High Court of Judicature at Madras vide its Order dated 12th October 2007, the Company had demerged and transferred its Marine related business to Teledata Marine Solutions Ltd (TMSL) and its Technology related business to Teledata Technology Solutions Limited (TTSL) and merged Sirius Shipping Company Limited (SSCL) with TMSL, effective from the appointed date i.e. 1st November, 2006. In view of the order being passed during 12th October 2007 :

- i. The operations from the appointed date of demerger till the balance sheet date have resulted in payable to TMSL and TTSL of Rs. 148.15 Crore and Rs.10.53 Crore respectively.
- ii. Pursuant to the Composite Scheme of Arrangement sanctioned by Honourable High Court of Madras, Vide its order dated 12th October 2007, Teledata Informatics Ltd was entitled to 2,40,000 Equity Shares of Rs.2 each against its holding of 1,20,000 Equity Share of Sirius shipping Company Limited of Rs. 10 each (ie 2 shares of Rs 2 each for every one share of Rs 10 held). The Shares are yet to be allotted to the company in view of the litigation which is pending before Honourable Company Law Board, Southern Region Branch, Chennai.

6. Secured Loans :

- i. The Credit facilities from Banks are secured primarily by current assets and further secured by the fixed assets of the Parent Company.
- ii. The Company has offered all its fixed assets other than assets acquired on Hire Purchase for collateral in respect of the terms loans, working capital limits, Corporate guarantees given and non funded limits availed by the Company including those funded and non funded liabilities demerged to resulting Companies. The Credit facilities of the Company including fund based and non fund based limits are further secured by personal guarantees of a Director and a third party, Corporate guarantees of three Body corporates, collateral of shares pledged of director/Body corporates, certain land and buildings belonging to Directors/Body Corporates/third party.
- iii. Bank Overdraft is further secured by bank's lien against the Fixed Deposits.

7. Deposits in Bank Account :

- i. Deposits in scheduled bank accounts as on the date of Balance Sheet are under lien to Banks as margin for Bank Guarantee, Letter of Credit and Overdraft of the Parent Company as per the Scheme.
- ii. Net Eng Tel Co. Ltd., Thailand has pledged all its fixed deposits amounting to Rs.0.07 Crore (Thai Baht 5,00,000/-) as collateral to a commercial bank for guarantee

8.Contingent Liabilities:

Sl.	Particulars	2009-10	2008-09
i.	Guarantee given in the ordinary course of business (gross) (Net of Guarantee relating to Teledata Marine Solutions Limited standing in the name of the Parent Company pending effect of demerger to be effected in Bank records included above)	3.78	6.99
ii.	Advance Capital Commitments net of advance	13.02	17.46
iii.	Bank Guarantee given by Net Eng Tel Co. Ltd., Thailand	0.07	0.07
iv.	Corporate Guarantee given to Bank against loan taken by wholly owned subsidiary Baytech Inc B.V.I.	189.54	213.93
v.	Corporate Guarantees given in favour of the vendors/banks of Esys Technologies Pte. Ltd, Singapore	14.86	16.72
vi.	Corporate Guarantees given in favour of the banks	284.76	284.76
vii.	Claims against the Parent Company not acknowledged as debt *	20.04	6.88

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

- * The Income Tax Authorities have re-opened Company's income tax assessments, for the Assessment years 1998-99, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2006-2007 and 2007-2008. The Authorities have raised demands aggregating to Rs. 20.04 Crore on various matters including the tax holiday benefits availed in respect of profits arising from the Export oriented activity of the Company against which Rs.0.08 Crore was paid till date, under protest.

The Management contends that the Company has sufficient grounds to defend its position and has filed necessary appeals against such demands. If the claim of the Income Tax authorities prevail the Company would be required to make a minimum incremental tax provision aggregating to Rs.20.04 Crore. The Company is contesting the demand and the Management, including its tax advisers, believes that its position will likely be upheld in the appellate process as it has already won its case for the assessment year 2003-04. The Company is of the opinion that the tax provision for operations during the year is sufficient and the contention of the department is not tenable.

9 a. Provision for Taxation:

The Parent Company is eligible for Tax Benefit under section 10B of Income Tax Act, 1961, accordingly the provision for tax has been computed considering the deduction allowable under above said section.

The Parent Company follows territorial basis of taxation and provision has been done in respect of the foreign branches as per law of those countries. The Company is availing tax exemption under Section 10B of Income Tax Act 1961 in respect of its export turnover from India. The Company has provided Tax on domestic turnover as per its computation on domestic tax income or Minimum Alternative Tax (MAT) under section 115JB whichever is higher.

b. Deferred Tax:

The deferred tax asset/liability is net off the deferred tax assets/liabilities of the Subsidiaries considered in the Consolidation.

The parent Company has not recognised deferred tax asset pertaining to Section 10B undertakings in respect of excess of depreciation charged under companies act over the depreciation claimed under Income tax Act in view of Prudence.

10 Calculation of Earnings per share:

(Rs-Crore)

Particulars	2009-10	2008-09
a. Net Profit available for equity share holders (Rs. Crore)	(14.55)	43.79
b. Basic Weighted Average No. of Equity Shares (Nos.)	196,669,080	196,669,080
c. Diluted Weighted Average No. of Equity Shares (Nos.)	196,669,080	196,669,080
d. Basic Earnings per share of Rs.2 each	(0.74)	2.23
e. Diluted Earnings per share of Rs.2 each	(0.74)	2.23

11 Employee Benefits

The Company has not adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India [the 'revised AS 15']. The valuation of employee benefits have been done on actual basis as against the actuarial valuation on projected unit cost basis.

- 12 Foreign exchange gain of Rs.63.02 Crores on account of reinstatement of Debtors, Creditors and Advances during the year, has not been recognised in the books of accounts, resulting in non-adoption of AS 11 (Revised) "The effect of Foreign Exchange Fluctuations" issued by ICAI.

13 Accounting for Leases

Operating Lease :

Rentals are expensed with reference to lease terms and other considerations.

- 14 As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships:

(As certified by the management)

(Excludes transactions with subsidiaries till the date of cessation of relationship)

Associate Companies:

Sl.	Name of the Related Party	Nature of Relationship
1	Teledata Marine Solutions Ltd	} Enterprise with Common Key management personnel
2	Teledata Technology Solutions Limited	
3	Complete Agro Biotech Solutions Pvt. Ltd.	
4	Rose Securities Pvt Ltd	
5	Silver Harvest Investment and Trading Pvt Ltd	

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

Key Management Personnel (KMP) with Nature of Relationship

Sl.	Name of the Related Party	Nature of Relationship
1	Gp.Capt. K. Balasubramanian IAF (Retd)	Chairman
2	K. Padmanabhan	Managing Director
3	Ruangsak Treeroaporan	Director of Subsidiary
4	Gayathri Padmanabhan	Relative of KMP

Details of the transactions are as follows:

Related Parties: Related Party transactions given below are net of inter subsidiary transactions taken place during the year. (excluding reimbursement of expenses)

	Particulars	2009-10	2008-09
a.	Investments made during the year :		
	<i>Subsidiary Company</i>		
	Teledata Channel for Instant Payment Systems Ltd	-	0.05
b.	Loans Taken during the year from :		
	<i>Key Management Personnel</i>		
	K. Padmanabhan	2.99	-
	<i>Associate Companies</i>		
	Teledata Marine Solutions Ltd	23.25	283.60
	Teledata Technology Solutions Ltd	0.52	1.00
	Rose Securities Pvt Ltd (PY Nil)	0.02	-
c.	Loans Repaid during the year to :		
	<i>Key Management Personnel</i>		
	K. Padmanabhan	3.40	0.15
d.	Loans and Advances granted during the year :		
	<i>Associate Companies</i>		
	Complete Agro Biotech Solutions Pvt Ltd	1.95	10.28
	Teledata Technology Solutions Ltd	1.13	0.92
	Teledata Marine Solutions Ltd	11.47	283.74
	Silver Harvest Investment and Trading Private Ltd (Rs.21,204/- ; PY Rs.10,836/-)	-	-
	Rose Securities Pvt Ltd (Rs.815/- , PY Rs.11,679/-)	-	-
e.	Loans and Advances recovered during the year :		
	<i>Associate Companies</i>		
	Complete Agro Biotech Solutions Pvt Ltd	15.38	0.36

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

		Rs.Crore	
	Particulars	2009-10	2008-09
f.	Closing Balance of Advances (Dr Balances) :		
	<i>Associate Companies</i>		
	Complete Agro Biotech Solutions Pvt Ltd	2.10	15.53
	Rose Securities Pvt Ltd Rs.Nil (PY Rs.11,679/-)	-	-
	Teledata Education & Research Foundation Trust	0.02	0.02
g.	Closing Balance of Advances (Cr Balances) :		
	<i>Key Management Personnel</i>	4.09	4.50
	<i>Associate Companies</i>		
	Teledata Technology Solutions Ltd	10.53	11.15
	Teledata Marine Solutions Ltd	148.15	139.76
	Vanguard Technologies India Private Limited	0.82	0.82
	Rose Securities Pvt Ltd (PY Rs.Nil)	0.01	-
	Silver Harvest Investment and Trading Private Ltd (P.Y.Rs.34,725/-	0.03	-
h.	Directors' Remuneration		
	<i>Key Management Personnel</i>	0.27	0.27

15 Investments Related

- a. During the year 2008-09, the Company divested 3% stake in Rainforest Trading Limited (SPV), whereas, the divestment did not materialize and as on date, the Company holds directly (12.14%) and through its wholly owned subsidiary Baytech Inc. BVI (38.86%), aggregating 51% equity interest in Rainforest Trading Limited (Special Purpose Vehicle (SPV)) holding eSys Technologies Pte. Limited. The Company has advanced to its wholly owned subsidiary Baytech Inc BVI of Rs 186.13 Crore towards repayment of loans taken for acquisition of eSys Technologies Pte Limited. The company has initiated legal proceedings against Vikas Goel , The Managing Director of eSys Technologies Pte Ltd and eSys Technologies Pte Ltd, Singapore and presently matter is subjudice. Considering the above , the Company has not consolidated results of SPV.
The Parent Company is yet to receive share certificates for equity shares in respect of its investment of Rs 110.33 Crore (USD 25 Million) in its name, which currently has been held fully by Baytech Inc. BVI its wholly owned Subsidiary. In the opinion of the management the same are held by Baytech Inc as nominee share holders towards beneficial holding of company in respect of which necessary declaration has been taken from Baytech Inc. BVI.
- b. The Company has pledged its investments in Baytech Inc and Rainforest Trading Private limited as collateral security and has given guarantee for loan taken by Baytech Inc. BVI of Rs 189.54 Crore (P.Y Rs.213.93 Crore) ie USD 41.98 Million (P.Y USD 41.98 Million) for acquisition of 38.86% stake in Rainforest Trading Pvt Limited. The company has not considered the accounts of subsidiary company during the current year because of the ongoing litigation.
- c. The Company's Investment in share application of Insoft Systems Pte Ltd, Singapore of Rs.8.24 Crore are still pending allotment and approvals from authorities concerned. During the year, Insoft Systems Pte Ltd has written off its investment in Imax Networks , London because of Non performance and subsequently its investment in Insoft Systems Pte Ltd is reduced to the extent of write off.
- 16 As of the balance sheet date, the Company has net foreign currency exposure (other than overseas branches) that are not hedged by a derivative instrument or otherwise amounting to Rs.654.10 (Previous Year Rs.320.68 Crore) in respect of payables and Rs 1577.45 Crore (Previous Year. Rs.1236.59 Crore) in respect of receivables.
- 17 Balances in sundry debtors, loans and advances and other current assets are subject to confirmation. The company had initiated the process of obtaining of confirmations during the year and partially obtained confirmations from third parties for the balances at the end of the year.
- 18 During the year the customers have invoked Inland Bank Guarantee (BG) amounting to Rs 2.21 Crores for non performance of terms and conditions of Contract with customer.
- 19 Parent Company has made arrangements with certain Overseas Creditors for necessary collections of receivable from certain Overseas Customers. The Company has during the year called off the said arrangement since there was no improvement.

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 20 The Parent Company has marketing agreement with marketing agents in various countries through whom products are sold. In the absence of any sales returns over the past years the revenue is recognised on sale of products to marketing agencies irrespective of confirmation by the marketing agents for the sale of products to ultimate customers. The information in respect of the products lying unsold with the marketing agencies at the end of the year is not available.
- 21 The National Stock Exchange of India has suspended the trading in the shares of the Company with effect from 09th September 2009 due to non compliances. The Company is taking necessary steps to ensure compliance in future.
- 22 The Loan accounts of the Company with State Bank of India, Overseas Branch, Chennai have been classified as Non Performing Assets (NPA) during the year and the Company is taking steps to regularise all the accounts.
- 22 In the opinion of the management the plantation is subsisting as on the date of balance sheet and is of the value stated and no impairment is deemed necessary. The valuation of the plantation being technical matter the auditors have relied on the representation of the management.
- 23 **Segment Reporting**
(As certified by the management)
- i. Primary segment Information (By Business Segment) : The Company is engaged in the business of development and sale of software, Manufacturing & Distribution, Software consultancy & services.

Rs.Crore
(Rs. Crore)

Particulars	Sale of Software Products	Manufacturing & Distribution	Consultancy & Services	Others	Total
Revenue					
Turnover	409.86	-	2.98	-	412.84
	725.12	2,147.49	158.12	-	3,030.73
Less: Inter segment	-	-	-	-	-
Other Income	0.20	-	0.03	-	0.23
	9.75	22.21	0.31	-	32.27
Total Revenue	410.06	-	3.01	-	413.07
	734.87	2,169.70	158.43	-	3,063.00
Segment Results	58.84	-	(16.70)	-	42.14
	114.33	17.64	(10.92)	(0.01)	121.04
Unallocable Items					
Interest	54.09	-	0.22	-	54.31
	34.90	20.79	1.36	-	57.05
Depreciation	2.11	-	0.03	-	2.14
	2.23	5.31	1.28	-	8.82
Tax	0.42	-	-	-	0.42
	8.09	0.69	0.69	0.35	9.82
Minority Interest	-	-	(0.18)	-	(0.18)
	-	1.96	0.30	-	2.26
Transferred to CWIP	-	-	-	-	-
	-	-	-	-	-
Net Profit after Tax & Minority Interest	2.22	-	(16.77)	-	(14.55)
	69.11	(11.11)	(14.55)	(0.36)	43.09

TELEDATA INFORMATICS LTD

SCHEDULE – Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs.Crore)

Particulars	Sale of Software Products	Manufacturing & Distribution	Consultancy & Services	Others	Total
Other Information:					
Segment Assets	2,166.22	-	36.63	3.35	2,206.20
	1,800.78	0.01	7.44	3.30	1,811.53
Segment Liabilities	1,421.70	-	3.00	0.01	1,424.71
	913.21	217.71	3.66	-	1,134.58
Capital Expenditure	0.10	-	-	-	0.10
	4.06	1.69	0.07	-	5.82
Write offs & Non-Cash expenses	-	-	-	-	-
	-	1.16	-	-	1.16

Previous years figures are given in Italics.

ii.Secondary Segment Information (By Geographical Segment)

(Rs.Crore)

Particulars	USA	Singapore	UAE	India	Rest of World	Total
Revenue (includes	-	0.20	58.53	351.53	2.80	413.06
other Income)	32.73	2,169.82	109.26	597.91	153.28	3,063.00

Previous years figures are given in Italics.

24 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.

As per our Report of even date

For **N.R. KRISHNAMOORTHY & CO**
Chartered Accountants

For and on behalf of the Board

N.R.Krishnamoorthy
Partner
Membership Number : 20638

Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

K.Padmanabhan
Managing Director

N.Ramanathan
Company Secretary

N.Sakthivel
Director

Place: Chennai
Date: 30.08.2010

Place: Chennai
Date: 30.08.2010

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DIRECTORS' REPORT

To

The Members of the Company,

Your Directors are pleased to present the Fifth Annual Report of the Company together with the audited statement of accounts for the year ended 31st March 2010.

Financial Results:

During the year ended 31st March 2010, your Company has incurred a loss of Rs. 15,770/-. Your Directors are confident that your Company can demonstrate a positive development in the forthcoming years.

Dividend:

Your Directors did not recommend any dividend for the Company for the year ended 31st March 2010.

Directors:

There was no change in the constitution of the Board during the financial year ended 31st March 2010. Gp. Capt. K. Balasubramanian IAF (Retd.) is liable to retire by rotation and being eligible offers himself for re appointment.

Auditors:

M/s. S. Ramachandran & Co, Chartered Accountants, Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

Directors' Responsibility Statement:

Pursuant to the requirement under clause 217(2AA) of the Companies Act 1956, the Board hereby states that:

- (i) in the preparation of the annual accounts for the year ended 31st March 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) The accounting policies selected by them have been applied consistently, 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 for the year ended 31st March 2010 and of the loss of the company for the year ended on that date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities,
- (iv) The Directors have prepared the accounts on a "going concern" basis.

Public Deposits:

The Company has not accepted any deposits during the year ended 31st March 2010.

Particulars of Employees:

None of the employees of the Company are falling under the information to be furnished as per Section 217(2A) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is beyond the scope of Company's operations and hence not applicable.

Acknowledgement:

Your Directors wish to place on record their appreciation for the excellent and continued co - operation from employees, customers and vendors.

On behalf of the Board
for Teledata Education Management System Ltd

Sd/-
K Padmanabhan
Director

Sd/-
Gp. Capt.K.Balasubramanian IAF (Retd.)
Director

Place: Chennai
Date: 30.08.2010

AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/S. **TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED** as at 31st March 2010 and the Profit and Loss Account 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 our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.

1. The matters specified in paragraphs 4 and 5 of the said Order of Company's auditors report order, 2003 issued by the Central Government of India in terms of Sub section 4 A of section 227 of the Companies Act, 1956 is enclosed in an Annexure.
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion and according to the information and explanation furnished to us, proper books of accounts as required by law have been kept by the company so far appears from our examination of such books of accounts.
 - c. The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.

On the basis of written representations received from the directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the Schedules and Notes thereon give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view;

- (i). in so far as it relates to the Balance Sheet of the state of Affairs of the company as at 31st March 2010
and
- (ii). in so far as it relates to the Profit and Loss Account of the loss for the year ended 31st March 2010.

For S.Ramachandran & Co
Chartered Accountants
FRN-006775S

Sd/-
Ramachandran S
Partner
M.No.18355

Place: Chennai
Date: 30-08-2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March 2010

On the basis of such checks of the books of account and other records as we considered appropriate and the information and explanation given to us during the course of our audit we represent that

1. There were no fixed assets in the company, the maintenance of proper records showing full particulars including quantitative details and situation of its fixed assets does not arise.
2. Since the company has no fixed assets on the date of balance sheet, no physical verification of the assets was necessary.
3. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.
4. During the period the company has taken loans, unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs.79,36,996/- and the year end balance of the loan was Rs.79,36,996/-. As explained to us by the management the other terms and conditions of the above said loan is not prejudicial to the interest of the company.
5. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in to a register in pursuance of section 301 of the Companies Act have been so entered.
6. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from public as per the provisions of section 58A and 58AA or any other relevant provisions of Companies Act, 1956. Accordingly, provisions of clause 4(iv) of the Companies (Auditor's Report) Order,2003 is not applicable to the company. There are no orders from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal.
7. The company does not have a separate internal audit system. The existing internal control procedures are commensurate considering the size of the company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for the company.
9. There are no undisputed statutory dues outstanding as at 31st March 2010, for a period of more than six months from the date they became payable. The company does not have scheme of Provident Fund and ESI to its employees.
10. There are no dues of Sales Tax/ Income Tax/ Custom Duty/ Wealth Tax/ Excise Duty / Cess which have not been deposited on account of any dispute.
11. The company has incurred cash losses for the period ended 31st March 2010.
12. The Company has not availed any loan from Banks /Financial Institutions.
13. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The company is not a chit fund company and hence the compliance of the provisions of special statutes does not arise.
15. In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
16. The Company has not given guarantee to any person during the period.
17. The company has not availed any term loan during the period.
18. The Company has not raised any loan funds during the period and hence the question of applying funds for purposes other than for which it was raised does not arise.
19. The company has not made any preferential allotment of shares during the period.
20. The company has not issued any debentures during the period and hence the question of creating security does not arise.
21. The company has not made any public issue of securities during the period.
22. According to information and explanations given to us no fraud on or by the Company has been noticed or reported by/to us during the course of our audit.

For **S RAMACHANDRAN & CO**
Chartered Accountants,
FRN-006775S

Sd/-
RAMACHANDRAN S
Partner
M No 18355

Place: Chennai
Date: 30-08-2010

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

(Rs.)

Particulars	Schedule	As at 31st March, 2010		As at 31st March, 2009	
I SOURCES OF FUNDS					
SHARE HOLDERS FUNDS					
Capital	1	500,000	500,000	500,000	500,000
LOAN FUNDS					
Unsecured Loans	2	7,936,996	7,936,996	7,932,256	7,932,256
		8,436,996	8,436,996	8,432,256	8,432,256
II APPLICATION OF FUNDS					
CURRENT ASSETS, LOANS & ADVANCES					
Cash and Bank Balances	3	20,074	20,074	20,074	20,074
Loans and Advances	4	8,322,400	8,322,400	8,322,400	8,322,400
		8,342,474	8,342,474	8,342,474	8,342,474
Less Current liabilities & Provisions	5	26,705	26,705	15,675	15,675
Net Current Assets		8,315,769	8,315,769	8,326,799	8,326,799
Profit and Loss account		121,227	121,227	105,457	105,457
		8,436,996	8,436,996	8,432,256	8,432,256

This is the Balance Sheet referred to in our report of even date
S.Ramachandran & Co.
Chartered Accountants

On Behalf of the Board for
for Teledata Education Management System Limited

Sd/-
Ramachandran. S
Partner
M No. 18355

Sd/-
K.Padmanabhan
Director

Sd/-
Gp. Capt. K. Balasubramanian IAF (Retd.,)
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

Profit and Loss Account for the year ended 31st March 2010

(Rs.)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
INCOME		-	-
EXPENSES			
Administrative Expenses		15,770	8,354
PROFIT BEFORE TAX		(15,770)	(8,354)
Less : Current Tax		-	-
Less : Deferred Tax		-	-
Less : Fringe Benefit Tax		-	-
PROFIT AFTER TAX		(15,770)	(8,354)
Balance Brought forward from previous year		(105,457)	(97,103)
Appropriation		(121,227)	(105,457)
Balance carried to Balance Sheet		(121,227)	(105,457)
Earning per share - Basic / Diluted		(0.32)	(0.17)

This is the Profit and Loss Account referred to in our report of even date

For S.Ramachandran & Co.
Chartered Accountants

On Behalf of the Board
for Teledata Education Management System Limited

Sd/-
Ramachandran. S
Partner
M No. 18355

Sd/-
K.Padmanabhan
Director

Sd/-
Gp. Capt. K. Balasubramanian IAF (Retd.,)
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

(Rs.)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
Particulars			
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED CAPITAL			
50,000 Equity Shares of Rs 10 each		500,000	500,000
Issued, Subscribed and Paid-up Share Capital 50,000 Equity Shares of Rs 10 each (Entire Shares are held by Teledata Informatics Ltd and its Nominees)		500,000	500,000
		500,000	500,000
SCHEDULE 2			
UNSECURED LOANS			
from Holding Company		7,936,996	7,932,256
		7,936,996	7,932,256
SCHEDULE 3			
CASH AND BANK BALANCE			
Cash on hand		5,174	5,174
With Scheduled Banks In Current Account		14,900	14,900
		20,074	20,074

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

(Rs. Crore)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 4			
LOANS AND ADVANCES			
Unsecured and considered good:			
Advances recoverable in cash or in kind or for value to be received			
		8,322,400	8,322,400
		<u>8,322,400</u>	<u>8,322,400</u>
SCHEDULE 5			
CURRENT LIABILITIES			
Due to Others			
		26,705	15,675
		<u>26,705</u>	<u>15,675</u>
SCHEDULE 6			
ADMINISTRATIVE EXPENSES			
Rates & Taxes			
Filing Fees		4,740	1,173
Audit Fees		11,030	5,515
Bank Charges		-	1,550
Interest-others		-	116
Printing and stationery			
		<u>15,770</u>	<u>8,354</u>

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2010

(Rs. Crore)

Particulars	2009-10	2008-09
Cash Flows From Operating Activities		
Net Profit Before Tax and Adjustments	(15,770)	(8,354)
Adjustments to Profit	-	-
Operating Profit Before Working Capital Changes	<u>(15,770)</u>	<u>(8,354)</u>
(Increase)/Decrease In Debtors	-	-
(Increase)/Decrease In Capital Work In Progress	-	-
(Increase)/Decrease in Software Work In Progress	-	-
(Increase)/Decrease In Loans and Advances	-	-
Increase/(Decrease) In Sundry Creditors	11,030	(23,651)
Cash Generated from Operations	<u>(4,740)</u>	<u>(32,005)</u>
Less : Income Tax Paid	-	-
Less: Fringe Benefit Tax Paid	-	-
	<u>(4,740)</u>	<u>(32,005)</u>
Cash Flows from Investing Activities		
	-	-
Cash Flows From Financing Activities		
Proceeds From Issue of Share Capital	-	-
Securities Premium	-	-
Proceeds From Borrowings	4,740	40,455
Repayment of Borrowings	-	-
Preliminary Expenses	-	-
	<u>4,740</u>	<u>40,455</u>
Net Increase/(decrease) in cash and cash equivalents	-	8,450
Cash & cash equivalents at the beginning of the Period	20,074	11,624
Effect of exchange rate changes	-	-
Cash & cash equivalents at the end of the Period	<u>20,074</u>	<u>20,074</u>

This is the Cash Flow referred to in our report of even date

S.Ramachandran & Co.
Chartered Accountants

On Behalf of the Board
for Teledata Education Management System Limited

Sd/-
Ramachandran. S
Partner
M No. 18355

Sd/-
K.Padmanabhan
Director

Sd/-
Gp. Capt. K. Balasubramanian IAF (Retd.)
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

Notes on Accounts: 7

I. Significant Accounting Policies:

1. Basis of Preparation of Financial Statements:

The Financial Statements are prepared under historical cost convention under accrual method of accounting and as a going concern, in accordance with generally accepted accounting practices, the Accounting Standards issued by the Institute of Chartered Accountants of India. The Balance sheet complies with the applicable Accounting Standards prescribed under Sec. 211(3C) of the Companies Act, 1956. The Company has accounted all its income and expenditure on accrual basis of accounting.

2. Fixed Assets and Depreciation:

Fixed assets are shown at historical cost less accumulated depreciation. Depreciation on Fixed Assets is provided on the carrying cost of the assets at rates given in Schedule XIV of the Companies Act, 1956.

There being no addition of fixed asset till date, there are no depreciation expenses incurred during the year.

3. Preliminary Expenses:

Preliminary Expenses are charged off to the Profit and Loss Account as and when it surfaces, in the year of occurrence as per Accounting Standards 26 – Intangible Assets.

4. Information required under Para 3 & 4 of the Schedule VI of the Companies Act, 1956:

Since the company has not carried any manufacturing activity during the year, the information required under Para 3 & 4 of the Schedule VI of the Companies Act, 1956 is not applicable.

5. Contingent Liabilities:

Event occurring after the date of Balance sheet are considered up to the date of adoption of the accounts, where material. There is no contingent liability as such.

6. Deferred Tax

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

II. Other Notes:

1 Related Party Transactions:

As per the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties of the Company are as follows:

i) Related party and their relationship:

a. Key Management Personnel:

Mr. K. Padmanabhan and GP.Capt.K.Balasubramanian IAF (Retd.)

b. Enterprises with Common Key Management Personnel:

Teledata Informatics Ltd, Teledata Marine Solutions Limited, Teledata Education and Research Foundation Limited and Teledata Technology Solutions Limited.

(ii) Transactions with related parties:

(Amount in Rs.)

Particulars	Transaction with Group Companies
Income	
Operational Income	-
Finance	
Loan received from Holding Company	4,740.00

2 As on March 31, 2010, there is no interest payable to Micro and Small Enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006. This information and that disclosed under schedule V, have been determined to the extent such parties have been identified on the basis of information available with the Company.

3. Calculation of Earning per Share:

Particulars	31st March 2010
Net Profit/(Loss) for the year ended	(15,770)
No. of Shares	50,000
Earning per Share	(0.32)

4. Deferred Tax Asset is not recognized on prudence

5. The previous year figures are rearranged / regrouped where ever applicable.

This is the Balance Sheet referred to in our report of even date

For S.Ramachandran & Co.
System Limited
Chartered Accountants

On Behalf of the Board
for Teledata Education Management

Sd/-
Ramachandran. S
Partner
M No. 18355

Sd/-
K.Padmanabhan
Director

Sd/-
Gp. Capt. K. Balasubramanian IAF (Retd.,)
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION MANAGEMENT SYSTEM LIMITED

BALANCE SHEET ABSTRACTS

I) Registration Details			
CIN / Registration Number	U80301TN2005PLC056725	State Code	18
Balance Sheet Date	31/Mar/10		
II) Capital Raised During the year (Amt. In Rs.)			
Public Issue	Nil	Bonus Issue	Nil
Rights Issue	Nil	Private Placement	Nil
III) Position of Mobilisation and Deployment of Funds (Amt. In Rs)			
Total Liabilities	8,463,701	Total Assets	8,463,701
Sources of funds			
Paid up Capital	500,000	Reserves and Surplus	(121,227)
Secured Loans	-	Unsecured Loans	7,936,996
Application of Funds			
Net Fixed Assets	-	Investments	-
Net Current Assets	8,315,769	Miscellaneous Expenditure	-
IV) Performance of the Company (Amt. In Rs.)			
Turnover	Nil	Total Expenditure	15,770
Profit before tax	(15,770)	Profit after tax	(15,770)
Basic / Diluted Earning Per Share (Rs.)	(0.32)	Dividend Rate (%)	
V) General Name of Principle products			
Item Code No. (ITC Code)			
Product Description			

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED
“Teledata Tower” 37/1, Velachery Tambaram Main road, Velachery,
Chennai 600042

DIRECTORS'REPORT

To
The Members of the Company,

Your Directors take pleasure in presenting the Third Annual Report of the Company together with the Audited Statement of accounts for the year ended 31st March 2010.

Financial Results:

During the year ended 31st March 2010, your Company has incurred a loss of Rs. 355/-. Your Directors are certain that your Company can show a constructive development in the forthcoming years.

Dividend:

Your Directors did not recommend any dividend for the year ended 31st March 2010

Directors:

There was no change in the constitution of the Board of Directors during the financial year ended 31st March 2010. Mr. N. Sakthivel, Director, is liable to retire by rotation and being eligible offers himself for re-appointment.

Auditors:

M/s. S. Ramachandran & Co, Chartered Accountants, retire by rotation and being eligible offers themselves for re-appointment

Directors' Responsibility Statement:

Pursuant to Clause (2AA) of section 217 of the Companies Act, 1956, Board hereby states that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March 2010 the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) The accounting policies selected by them have been applied consistently, 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 on 31st March 2010 and of the loss of the company for the year ended on that date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities,
- (iv) The Directors have prepared the accounts on a “going concern” basis.

Compliance Certificate:

The Compliance Certificate is being issued by M/s. Dhanapal & Associates, Company Secretaries in Practice, for the financial year ended 31st March 2010.

Public Deposits:

The Company has not accepted any deposits during the year.

Particulars of Employees:

None of the employees of the company are falling under the information to be furnished as per section 217 (2A) of the Companies Act 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is beyond the scope of Company's operations and hence not applicable.

Acknowledgement

Your Directors are also pleased to record their appreciation for the hard work put in by the employees at all levels.

On behalf of the Board
for Teledata Education and Research Foundation Limited

Sd/-
K.Padmanabhan
Director

Sd/-
N. Sakthivel
Director

Place: Chennai
Date: 30.08.2010

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED

AUDITORS' REPORT

The Members

We have audited the attached Balance Sheet of M/s TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED as at March 31, 2010, and the Profit and Loss Account for the year ended on that date annexed thereto, both of which we have signed under reference to this report.

1 RESPONSIBILITY

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these statements based on our audit.

2 SCOPE

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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 ASSERTIONS

- 3.1 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;
- 3.2 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

4 OPINION

- 4.1 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - 4.2 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in Section 211(3C) of the Act, to the extent applicable;
 - 4.3 On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - 4.4 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies, contingent liabilities and other notes, 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:
 - 4.5 We have relied on the representation from the management in respect of transactions including values thereof and their appropriateness between the company and its related parties as specified in the notes to accounts relating to income and expenses
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - (ii) In the case of Profit and Loss Account, of the Loss for the period ended on that date.
 - (iii) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 5 As required by the Companies [Auditors' Report] Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we further report that:

FIXED ASSETS

- 5.1 Since there are no fixed assets held by the company on the date of balance sheet this clause is not commented upon.

INTERNAL CONTROL AND INTERNAL AUDIT

- 5.2 There are adequate internal control systems which commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system.

5.3 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

STATUTORY DUES

5.4 The Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including Income tax, Sales tax, wealth tax, Service tax, Custom Duty, Excise Duty, Cess, as applicable. The Other Statutory Dues such as Provident Fund Employees State Insurance are not applicable to the company.

5.5 According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

5.6 According to the records produced, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.

LOANS TAKEN AND GIVEN

5.7 The company has not granted unsecured loans, to a company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year end balance of such loans aggregates to Rs. Nil.

5.8 Since no loan is granted, clauses relating to interest and repayment are not applicable and hence not commented upon.

5.9 The company has taken interest free unsecured loans, from its holding company covered in the register maintained under section 301 of the Act. The Maximum balance outstanding during the year was Rs.3,55,87,078.00 and year end balance was Rs.2,36,32,305.00. As explained to us by the management the other terms and conditions of the above said loan is not prejudicial to the interest of the company

5.10 The company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules framed there under.

5.11 No term Loan has been taken by the company and hence we have not commented about its usage.

5.12 The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities

GUARANTEES

5.13 The company has not given any guarantee for the loans taken by others from banks or financial institutions during the year

COST RECORDS

5.14 According to the information and explanations given to us, the Government of India has not prescribed maintenance of cost records by the company under section 209(1)(d) of the Act for any of its products.

OTHERS

5.15 On the basis of the records produced by the company and verified by us in the normal course of audit, the company has entered the particulars of all transactions that are required to be entered into the register covered under Section 301 of the Act

5.16 Since no fund has been raised during the year from public the end use of funds raised from the public does not arise and hence not reported.

5.17 The company has not made any preferential allotment of shares during the year to the parties and companies covered in the register maintained under section 301 of the Act.

5.18 The company has not issued any debentures during the year and no debentures are outstanding at the year end.

5.19 In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

5.20 In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The company does not have any investments during the year.

5.21 The Company has accumulated losses at the end of the year and incurred cash loss during the year.

5.22 The provisions of special statutes applicable to chit fund etc are not applicable to the company

5.23 According to the information and explanations given to us by the management, and on the overall examination of the Balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

- 5.24 Based upon audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- 5.25 The other clauses i.e. clause 4(ii) is not applicable to the company for the current year hence in our opinion there is no matter which arises to be reported in the aforesaid order.

For S.RAMACHANDRAN & CO
Chartered Accountants,
FRN-006775S

Sd/-
RAMACHANDRAN S
Partner
M. No.18355

Place: Chennai
Date: 30-08-2010

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

(Rs. Crore)

Particulars	Schedule	As at 31st March, 2010		As at 31st March, 2009	
I SOURCES OF FUNDS					
SHARE HOLDERS FUNDS					
Capital	1	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
LOAN FUNDS					
Unsecured Loans	2		23,632,305		23,586,958
			<u>24,632,305</u>		<u>24,586,958</u>
II APPLICATION OF FUNDS					
CURRENT ASSETS, LOANS & ADVANCES					
Cash and bank Balances	3	79,722		24,750	
Loans and advances	4	<u>24,501,130</u>		<u>24,500,000</u>	
		24,580,852		24,524,750	
		<u>34,914</u>		<u>23,804</u>	
Less Current liabilities & Provisions	5		24,545,938		24,500,946
Net Current Assets			86,367		86,012
Profit and Loss account			<u>24,632,305</u>		<u>24,586,958</u>
Accounting Policies and Notes to Accounts	8				

This is the Balance Sheet referred to in
our report of even date
S.Ramachandran & Co.
Chartered Accountants

On Behalf of the Board for
For Teledata Education And Research Foundation Limited

Sd/-
Ramachandran. S
Partner

Sd/-
K.Padmanabhan
Director

Sd/-
N.Sakthivel
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

(Rs. Crore)

Particulars	Schedule	As at 31st March, 2010		As at 31st March, 2009	
INCOME					
Other Income	6	11,301	11,301	-	-
EXPENSES					
Administrative Expenses	7			11,656	17,451
PROFIT BEFORE TAX				(355)	(17,451)
Less : Current Tax		-	-	-	-
Less : Deferred Tax		-	-	-	-
Less : Fringe Benefit Tax		-	-	-	-
PROFIT AFTER TAX				(355)	(17,451)
Balance Brought forward from previous year				(86,012)	(68,561)
Appropriation				(86,367)	(86,012)
Balance carried to Balance Sheet				(86,367)	(86,012)
Earning per share - Basic / Diluted				(0.001)	(0.03)

This is the Balance Sheet referred to in our report of even date
S.Ramachandran & Co.
Chartered Accountants

On Behalf of the Board for
For Teledata Education And Research Foundation Limited

Sd/-
Ramachandran. S
Partner

Sd/-
K.Padmanabhan
Director

Sd/-
N.Sakthivel
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED SCHEDULES FORMING PART OF ACCOUNTS

(Rs. Crore)

Particulars	As at 31st March, 2010		As at 31st March, 2009	
SCHEDULE 1				
SHARE CAPITAL				
AUTHORISED:				
500000 Equity Shares of Rs.2/- each	1,000,000	1,000,000	1,000,000	1,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
500000 Equity Shares of Rs.2/- each (The entire share capital is held by Holding Company and its nominees)	1,000,000	1,000,000	1,000,000	1,000,000
		<u>1,000,000</u>		<u>1,000,000</u>
SCHEDULE 2				
UNSECURED LOANS				
Holding Company		23,632,305		23,586,958
		<u>23,632,305</u>		<u>23,586,958</u>

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED**SCHEDULES FORMING PART OF ACCOUNTS**

(Rs. Crore)

CASH AND BANK BALANCE

Cash on hand	-	-
With Scheduled Banks		
State Bank of India	24,750	24,750
HDFC Bank Ltd	54,972	-
	<u>79,722</u>	<u>24,750</u>

SCHEDULE 4**LOANS AND ADVANCES**

Tax Deducted At Source - Bank	1,130	-
Land Advance	23,500,000	23,500,000
Land Advance	1,000,000	1,000,000
	<u>24,501,130</u>	<u>24,500,000</u>

SCHEDULE 5**CURRENT LIABILITIES AND PROVISION****CURRENT LIABILITIES:**

Due to Others	34,914	23,804
	<u>34,914</u>	<u>23,804</u>

SCHEDULE 6**OTHER INCOME**

Interest Received	11,301	-
Misc. Income	-	-
	<u>11,030</u>	<u>-</u>

SCHEDULE 7**ADMINISTRATIVE EXPENSES**

Audit Fees- Statutory Audit	11,030	11,030
Bank Charges	-	550
Travelling & Conveyance	-	-
Filing Fees & Registration exps	546	4,911
Printing and stationery	80	960
	<u>11,656</u>	<u>17,451</u>

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2010

(Rs. Crore)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
Cash Flows From Operating Activities			
Net Profit Before Tax and Adjustments		(355)	(17,451)
Add: Non cash expenses		-	-
<i>Ajdustments to Profit</i>		-	-
Interest received		11,305	-
Operating Profit Before Working Capital Changes		10.947	(17,451)
(Increase)/Decrease In Debtors		-	-
(Increase)/Decrease In Capital Work In Progress		-	-
(Increase)/Decrease in Software Work In Progress		-	-
(Increase)/Decrease In Loans and Advances		(1,130)	(23,500,000)
Increase/(Decrease) In Sundry Creditors/Other		-	-
Current Liabilities		11,110	5,050
Cash Generated from Operations		20,927	(23,522,501)
Less : Income Tax Paid		-	-
Less: Fringe Benefit Tax Paid		-	-
		20,927	(23,522,501)
Cash Flows from Investing Activities			
Interest received		11,301	-
Cash Flows From Financing Activities			
Securities Premium		-	-
Proceeds From Borrowings		45,347	23,521,951
Repayment of Borrowings		-	-
		45,347	23,521,951
Net Increase/(decrease) in cash and cash equivalents		54,972	(550)
Cash & cash equivalents at the beginning of the Period		24,750	25,300
Effect of exchange rate changes		-	-
Cash & cash equivalents at the end of the Period		79,722	24,750
		2,260.28	

This is the Balance Sheet referred to in our report of even date
S.Ramachandran & Co.
 Chartered Accountants

On Behalf of the Board for
 For Teledata Education And Research Foundation Limited

Sd/-
 Ramachandran. S
 Partner

Sd/-
 K.Padmanabhan
 Director

Sd/-
 N.Sakthivel
 Director

Place : Chennai
 Date : 30-08-2010

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED

Notes on Accounts:

I. Significant Accounting Policies:

1. Basis of Preparation of Financial Statements:

The Financial Statements are prepared under historical cost convention under accrual method of accounting and as a going concern, in accordance with generally accepted accounting practices, the Accounting Standards issued by the Institute of Chartered Accountants of India. The Balance sheet complies with the applicable Accounting Standards prescribed under Sec. 211(3C) of the Companies Act, 1956. The Company has accounted all its income and expenditure on accrual basis of accounting.

2. Fixed Assets and Depreciation:

Fixed assets are shown at historical cost less accumulated depreciation. Depreciation on Fixed Assets is provided on the carrying cost of the assets at rates given in Schedule XIV of the Companies Act, 1956.

There is no addition of fixed asset during the year and there are no depreciation expenses incurred during the Year.

3. Preliminary Expenses:

Preliminary Expenses are charged off to the Profit and Loss Account as and when it surfaces, in the year of occurrence as per Accounting Standards 26 – Intangible Assets.

4. Information required under Para 3 & 4 of the Schedule VI of the Companies Act, 1956:

Since the company has not carried any manufacturing activity during the year, the information required under Para 3 & 4 of the Schedule VI of the Companies Act, 1956 is not applicable.

5. Contingent Liabilities:

Event occurring after the date of Balance sheet are considered up to the date of adoption of the accounts, where material. There is no contingent liability as such.

6. Deferred Tax

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

II. Other Notes:

1. Related Party Transactions:

As per the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties of the Company are as follows:

(i) Related party and their relationship:

a. Key Management Personnel:

Mr. K. Padmanabhan and GP.Capt.K.Balasubramanian IAF (Retd.)

b. Enterprises with Common Key Management Personnel:

Teledata Informatics Ltd, Teledata Marine Solutions Limited, Teledata Education Management System Limited and Teledata Technology Solutions Limited.

(ii) Transactions with related parties:

Amount in Rs.

Particulars	Transaction with Group Companies
Income	
Operational Income	-
Finance	
Loan received from Holding Company	45,347.00

7. As on March 31, 2010, there is no interest payable to Micro and Small Enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006. This information and that disclosed under schedule V, have been determined to the extent such parties have been identified on the basis of information available with the Company.

3. The Company has given advance for purchase of land for which confirmation of sale is yet to be obtained.
4. Deferred Tax Asset is not recognized on prudence.
5. Calculation of Earning per share:

Particulars	2009 - 10
Net Profit / (Loss) for the Year	(355)
No. of Shares	5,00,000
Earning per Share	(0.001)

6. The previous year figures are rearranged / regrouped where ever applicable.

This is the Balance Sheet referred to in
our report of even date
S.Ramachandran & Co.
Chartered Accountants

On Behalf of the Board for
For Teledata Education And Research Foundation Limited

Sd/-
Ramachandran. S
Partner

Sd/-
K.Padmanabhan
Director

Sd/-
N.Sakthivel
Director

Place : Chennai
Date : 30-08-2010

TELEDATA EDUCATION AND RESEARCH FOUNDATION LIMITED

BALANCE SHEET ABSTRACTS

I) Registration Details			
CIN / Registration Number	U80301TN2007PLC063313	State Code	18
Balance Sheet Date	31/Mar/10		
II) Capital Raised During the year (Amt. In Rs.)			
Public Issue	Nil	Bonus Issue	Nil
Rights Issue	Nil	Private Placement	Nil
III) Position of Mobilisation and Deployment of Funds (Amt. In Rs)			
Total Liabilities	24,667,219	Total Assets	24,667,219
Sources of funds			
Paid up Capital	1,000,000	Reserves and Surplus	(86,367)
Secured Loans	-	Unsecured Loans	23,632,305
Application of Funds			
Net Fixed Assets	-	Investments	-
Net Current Assets	24,545,938	Miscellaneous Expenditure	-
IV) Performance of the Company (Amt. In Rs.)			
Turnover	Nil	Total Expenditure	11,656
Profit before tax	(355)	Profit after tax	(355)
Basic / Diluted Earning Per Share (Rs.)	(0.001)	Dividend Rate (%)	-
V) General Name of Principle products			
Item Code No. (ITC Code)			
Product Description			

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2010.

FINANCIAL RESULTS

During the year ended on 31st March 2010, your company has incurred a loss of Rs.31,902/- Your directors are confident that the company can earn profits in the forthcoming years.

DIVIDEND

Your Directors did not recommend any dividend for the Company for the year ended 31st March 2010.

DIRECTORS

Mr.K.Padmanabhan is liable to retire by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s. N.R.Krishnamoorthy & Co; Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

PUBLIC DEPOSITS:

The Company has not accepted any deposits during the year ended 31st March, 2010.

COMPLIANCE CERTIFICATE

The Compliance Certificate is being issued by M/s. S. Dhanapal & Associates, Company Secretaries in Practice for the financial year ended 31st March, 2010.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956 Your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the accounting policies selected had been applied consistently and judgments and estimates made 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 on 31st March, 2010 and of the loss of the Company for that period;
- (iii) proper and sufficient care had 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; and
- (iv) the annual accounts had been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES:

None of the employees of the company are falling under the information to be furnished as per section 217 (2A) of the Companies Act 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activities relating to Conservation of Energy and technology absorption. There were no foreign exchange earnings and outgo during the year under consideration.

ACKNOWLEDGEMENT

Your Directors are also pleased to record their appreciation for the hard work put in by the employees at all levels.
for and on behalf of the Board Directors

Sd/-
K. Padmanabhan
Director

Sd/-
N.Sakthivel
Director

Place : Chennai
Date : 30/08/2010

**AUDITORS' REPORT TO THE MEMBERS OF
M/s TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED**

We have audited the attached Balance Sheet of M/s **TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED** ("the company"), a wholly owned subsidiary of Teledata Informatics Ltd, as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted the 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.
2. As required by the Companies Auditors Report Order, 2003, as amended, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said order.
3. Further we state that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - iii. The Balance Sheet, the 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, the Profit and Loss Account and Cash Flow Statement dealt by with this report have been prepared in all material respects in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in Section 211(3C) of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of directors of the company, none of the directors are disqualified as on March 31, 2010 from being appointed as a Director in terms of Section 274(1)(g) 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 together with the notes thereon give in the prescribed manner the information required by the Companies Act, 1956 of India and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010 and
 - ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For **N R KRISHNAMOORTHY & CO.**
Chartered Accountants
Firm Registration Number : 001492S

Sd/-
N.R. Krishnamoorthy
Partner
Membership Number: 20638

Place: Chennai
Date: 30.08.2010

ANNEXURE referred to in paragraph 2 of our report of even date to the members of **TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED** for the year ended 31st March 2010.

1. The Company has not owned or disposed off any fixed asset during the year.
2. The Company has not owned any inventory during the year.
3. a. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956
b. According to the information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.
9. a. The company has no liability towards provident fund, employee state insurance fund, income tax, sales tax, customs duty, excise duty and other material statutory dues applicable to it.
b. The company has no liability towards income tax, wealth tax, sales tax, customs duty, excise duty and cess.
10. The company has been registered during the year, i.e., for a period less than 5 years and hence statement on the matter regarding accumulated losses is not applicable.
11. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to a financial institution / bank.
12. In our opinion and according to the information and explanations given to 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. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company has not taken any term loan during the year covered by our audit.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the period covered by our audit.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **N R KRISHNAMOORTHY & CO.**
Chartered Accountants
Firm Registration Number : 001492S

Sd/-
N.R. Krishnamoorthy
Partner
Membership Number: 20638

Place: Chennai
Date: 30.08.2010

TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED

BALANCE SHEET ABSTRACTS

I) Registration Details

CIN / Registration Number	U72900TN2008PLC067563	State Code	18
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Balance Sheet Date	31/Mar/10
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II) Capital Raised During the year (Amt. In Rs.)

Public Issue	Nil	Bonus Issue	Nil
Rights Issue	Nil	Private Placement	Nil

III) Position of Mobilisation and Deployment of Funds (Amt. In Rs)

Total Liabilities	548,460	Total Assets	548,460
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Sources of funds

Paid up Capital	500,000	Reserves and Surplus	(49,911)
Secured Loans	-	Unsecured Loans	26,400

Application of Funds

Net Fixed Assets	-	Investments	-
Net Current Assets	476,489	Miscellaneous Expenditure	-

IV) Performance of the Company (Amt. In Rs.)

Turnover	Nil	Total Expenditure	31,902
Profit before tax	(31,902)	Profit after tax	(31,902)
Basic / Diluted Earning Per Share (Rs.)	(0.638)	Dividend Rate (%)	-

V) General Name of Principle products

Item Code No. (ITC Code)

Product Description

TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED

Balance Sheet as on 31st March 2010

Sources of Funds:	Sch	As at 31.3.2010	As at 31.3.2009
Share Holders' Funds		Rs.	Rs.
Share Capital	1	500,000	500,000
Reserves and Surplus			-
Loan Funds			
Secured Loans		-	-
Unsecured Loans		-	-
		500,000	500,000
Application of Funds:			
Fixed Assets		-	-
Investments		-	-
Current Assets, Loans and Advances			
Inventories (As certified by Management)		-	-
Sundry Debtors		-	-
Cash and Bank Balances		-	-
Advances and Deposits		498,549	498,549
		498,549	498,549
Less: Current Liabilities and Provisions			
Sundry Creditors	2	48,460	32,990
Provision for Tax		-	-
Net Current Assets		450,089	465,559
Miscellaneous Expenditure			
Preliminary Expenses		-	16,432
Profit and loss Account		49,911	18,009
		500,000	500,000
Significant Accounting Policies	4		
Notes to Accounts	5		

Vide our Audit report of even date

N.R.Krishnamoorthy & Co
Chartered Accountants

Sd/-
N.R.Krishnamoorthy
Partner

Sd/-
K.Padmanabhan
Director

Sd/-
N. Sakthivel
Director

Place : Chennai
Date : 30.08.2010

TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED

Profit & Loss Account for the year ended 31st March 2010

Particulars	Sch	2009-10 Rs.	2008-09 Rs.
Income :			
Income from Operation		-	-
(A)		<u>-</u>	<u>-</u>
Expenditure :			
Administrative & Other expenses	3	15,470	13,901
Preliminary Expenses written off		16,432	4,108
(B)		<u>31,902</u>	<u>18,009</u>
Net Profit/(Loss) before Interest, Depreciation and Tax(A) - (B)		(31,902)	(18,009)
Less : Depreciation		-	-
Net Profit/(Loss) before Interest and Tax		(31,902)	(18,009)
Less : Interest		-	-
Net Profit/(Loss) before Tax		(31,902)	(18,009)
Less : Provision for Tax		-	-
Provision for Fringe Benefit Tax		-	-
Provision for Deferred Tax		-	-
Net Profit/(Loss) after Tax		(31,902)	(18,009)
Add: Balance Brought Forward from the Previous Year		(18,009)	-
Balance Transferred to Balance Sheet		<u>(49,911)</u>	<u>(18,009)</u>
Significant Accounting Policies	4		
Notes to Accounts	5		

Vide our Audit report of even date

N.R.Krishnamoorthy & Co
Chartered Accountants

Sd/-
N.R.Krishnamoorthy
Partner

Sd/-
K.Padmanabhan
Director

Sd/-
N.Sakthivel
Director

Place : Chennai
Date : 30.08.2010

TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED

Schedules attached to and forming part of the Balance Sheet

Particulars	As at 31.03.10 Rs.	As at 31.03.09 Rs.
Schedule 1		
Share Capital		
Authorised Capital:		
50,000 Equity Shares of Rs 10/- each	500,000	500,000
Issued, Subscribed And Paid Up Capital:		
50,000 Equity Shares of Rs 10/- each	<u>500,000</u>	<u>500,000</u>
Schedule 2		
Current Liabilities:		
Sundry Creditors for Expenses	48,460	32,990
Other Liabilities	-	-
	<u>48,460</u>	<u>32,990</u>

TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED
Schedule attached to and forming part of the Profit & Loss Account

Particulars	As at 31.03.10 Rs.	As at 31.03.09 Rs.
Schedule 3		
Administrative & Other Expenses:		
Audit Fees	11,030	11,030
ROC & Filing Fee Charges	4,440	2,722
Rates & Taxes	-	149
	15,470	13,901

TELEDATA CHANNEL FOR INSTANT PAYMENT SYSTEMS LIMITED

Cash Flow Statement for the year ended 31st March 2010

(in Rupees)

Particulars	2009-10 Rs	2008-09 Rs
A Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax	(31,902)	(18,009.00)
Adjustments For:		
Depreciation	-	-
Interest Received	-	-
Interest Paid	-	-
Preliminary Expenses	-	(20,540.00)
Sundry Written off	16,432	4,108.00
Operating Profit/(Loss) Before Working Capital Changes	(15,470.00)	(34,441.00)
Adjustments For:		
Decrease / (Increase) in Trade And Other Receivables	-	(498,549.00)
Increase / (Decrease) in Trade and Other Payables	15,470	32,990.00
Cash Generated from Operations	-	(500,000.00)
Direct Tax and Fringe Benefit Tax Paid	-	-
Net Cash From Operating Activities	-	(500,000.00)
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Investments in Subsidiaries / Others	-	-
Interest Received	-	-
Net Cash From Investing Activities	-	-
C Cash Flow From Financing Activities		
Proceeds From Issue of Share Capital	-	500,000.00
Increase / (Decrease) of Borrowings	-	-
Interest Paid	-	-
Dividend Paid	-	-
Dividend Distribution Tax Paid (including interest thereon)	-	-
Net Cash From Financing Activities	-	500,000.00
D Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	-	-
Cash and Cash Equivalents at the Beginning of the Period	-	-
Cash and Cash Equivalents at the End of the Period	-	-

Vide our Audit report of even date

N.R.Krishnamoorthy & Co
Chartered Accountants

Sd/-
N.R.Krishnamoorthy
Partner

Sd/-
K.Padmanabhan
Director

Sd/-
N. Sakthivel
Director

Place : Chennai
Date : 30.08.2010

Net Eng Tel Company Limited

Auditor's Report

To the Shareholder's of Net Eng Tel Company Limited

I have audited the accompanying Balance Sheet of Net Eng Tel Company Limited as at 31 March 2010 the related Statements of Income and changes in shareholders' equity for the period from 1 April 2009 to 31 March 2010. The Company's management is responsible for the correctness and completeness of the information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my audit.

I conducted my audit in accordance with the generally accepted auditing standards. Those Standards requires that I plan and perform the audit to obtain moderate 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 the management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

Comparatives figures for the year ending March 31, 2009 have been audited by us in your 2008 and we expressed our opinion on the same.

Based on my audit of the financial statements, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

(Subtawee Youngcharoen)
CPA Registration No.8491
Personal Group SY Audit Office
Bangkok

Net Eng Tel Co., Ltd			
Balance Sheet as at March 31, 2010 and March 31, 2009			
ASSETS			
		Amount in Rs.	Amount in Rs.
Current assets	Note	Mar-10	Mar-09
Cash and deposits at financial institutions	4	388,033.85	440,545.34
Trade accounts receivable		24,421,769.52	26,202,096.39
Receivable' share capital		6,489,910.00	6,489,910.00
Prepaid income tax	5	3,914,563.09	3,320,137.88
Other Current Asset	5	6,718,140.83	7,107,552.71
Total current assets		41,932,417.29	43,560,242.32
Non-current assets			
Property, Plant and Equipment	7	751,251.16	917,179.78
Fixed deposit	6	768,902.24	2,213,405.86
Short Term Loans to Director & Related	6a	1,257,950.00	1,190,596.16
Bank Guarantee for Contracts	6	2,862,102.17	3,695,999.94
Total non-current assets		5,640,205.57	8,017,181.74
Total Assets		47,572,622.86	51,577,424.07

The notes to the financial statements an integral part of these financial statements.

Signed.....Director
(Mr.Sanan Sunmanee)

Net Eng Tel Co., Ltd
Balance Sheet as at March 31, 2010 and March 31, 2009
LIABILITIES AND SHAREHOLDERS'EQUITY

	Note	Amount in Rs.	Amount in Rs.
		Mar-10	Mar-09
Current liabilities			
Trade accounts payable		3,848,832.52	5,570,165.31
Short-Term Loans From Director and related company	8	18,374,601.82	13,422,813.00
Other Current Liabilities	9	3,252,585.67	1,379,588.05
Total current liabilities		25,476,020.01	20,372,566.36
Non-Current liabilities			
Long-Term Loans From Financial Institution	10	3,811,582.95	4,200,816.27
Total Non Current Liabilities		3,811,582.95	4,200,816.27
Total Liabilities		29,287,602.96	24,573,382.63
Shareholders'equity			
Share capital			
Authorized share capital			
2000 ordinary shares with a par value of Baht 10,000		27,800,000.00	27,800,000.00
Issued and paid-up share capital			
2000 ordinary shares with a par value of Baht 10,000		27,800,000.00	27,800,000.00
Appropriated retained earnings (deficit)		(9,514,980.11)	(795,958.56)
Total shareholders' equity		18,285,019.89	27,004,041.44
Total Liabilities and Shareholders' Equity		47,572,622.89	51,577,424.07

The notes to the financial statements an integral part of these financial statements.

Signed.....Director
(Mr.Sanan Sunmanee)

Net Eng Tel Co., Ltd
Statement of Income for the period ending March 31, 2010 and March 31, 2009

	Note	Amount in Rs.	Amount in Rs.
		Mar-10	Mar-09
Revenues :			
Sales & Service Income		27,609,981.91	49,482,986.44
Other Income		41,177.15	4,371.73
Interest Income		20,629.06	2,562.83
Total revenues		27,671,788.12	49,489,921.00
Expenses :			
Cost of sale and Service		19,490,913.86	27,042,971.33
Selling and administrative expenses		14,689,219.95	23,225,053.94
Depreciation		183,435.67	595,805.37
Total expenses		34,363,569.49	50,863,830.65
Profit / (loss) before interest and income tax		(6,691,781.37)	(1,373,909.65)
Interest expenses		2,027,240.18	1,631,938.70
Corporate Income Tax		-	-
Net profit (loss) for the year		(8,719,021.54)	(3,005,848.35)
Basic earnings / (loss) per share	12	(4,359.51)	(1,502.92)

The notes to the financial statements an integral part of these financial statements.

Signed.....Director
(Mr.Sanan Sunmanee)

Net Eng Tel Company Limited
Statement of Changes in Shareholder's Equity
For the Period ending March 31, 2010 and March 31, 2009
(Amount in Rs.)

	Appropriated share capital	Retained earnings (deficit)	Total
Opening Balance as on 1 April 2008	27,800,000.00	2,209,889.79	30,009,889.79
Issuance of additional ordinary shares		-	
Net profit (loss) for the year	-	(3,005,848.35)	(3,084,810.52)
Closing Balance as on 31 March 2009	27,800,000.00	(795,958.56)	27,004,041.44
Opening Balance as on 1 April 2009	27,800,000.00	(795,958.56)	27,004,041.44
Net profit (loss) for the year		(8,719,021.54)	(8,719,021.54)
Closing Balance as on 31 March 2010	27,800,000.00	(9,514,980.11)	18,285,019.89

Net Eng Tel Company Limited
Details of Selling and Administrative Expenses
For the period Ending March 31, 2010 and March 31,2009

Particulars	March 31, 2010	March 31,2009
Salary	7,089,856.88	9,065,105.09
Overtime	135,669.81	143,100.51
Allowance Expense	56,156.00	149,842.00
Extra Additional Allowance	228,086.87	32,531.20
Commission	612,814.37	222,670.13
Contribution to Social Security Fund	169,034.43	236,443.17
Welfare	-	221,298.06
Training Expense	1,112.00	12,113.78
Consultancy Expenses	1,695,800.00	1,932,100.00
Wage	12,232.00	2,825,430.79
Insurance for Employee	115,271.31	100,742.10
Office Expense	109,521.13	70,266.08
Communication Expenses	148,065.25	312,965.81
Office Rent	1,042,500.00	1,060,363.59
Entertain Expenses	60,763.85	1,115,157.41
Electricity Expenses	177,828.59	184,627.61
Broker Expenses	1,426,003.88	1,786,436.58
Repair & Maintenance-Office	4,564.27	25,729.41
Repair & Maintenance-Vehicles	26,110.01	16,389.62
Tax & Fee Expense		
- With Holding Tax (TDS)	-	62,077.08
- Vehicle Tax	9,892.63	28,995.40
- Employee Income Tax	-	190,693.53
Gain or Loss on Exchange Rate	(73,555.28)	49,202.68
Miscellaneous Exps	138,309.35	38,177.07
Travelling & Conveyance	982,340.70	1,459,373.62
Selling Expense	343,737.74	1,691,829.01
Bank Charges	104,473.82	142,742.60
Other fee	30,930.35	-
Audit Fees	41,700.00	48,650.00
Total	14,689,219.95	23,225,053.94

4. Cash and Cash Equivalents

Cash and bank balances as on 31 March 2010 and 31 March 2009 as under

Particulars	31-Mar-10	31-Mar-09
Petty Cash	37,060.22	37,060.22
Current Account (TFB Ratchadapisek Rd, Branch)	1,251.00	1,668.00
Current Account (TFB Thiumrummitr Branch)	71,835.24	119,170.52
Saving Account (TFB Thiumrummitr Branch)	275,771.79	276,242.39
Saving Account (SCB Prachauthid Branch)	909.03	1,449.17
Saving Account (KTB Prachauthid Branch)	1,206.56	3,505.16
Saving Account (TFB Ratchada Branch)	-	1,449.88
Total Cash in Hand & Bank Balances	388,033.85	440,545.35

5. Other Current Assets as on 31 March 2010 and 31 March 2009 consist of

Particulars	31-Mar-10	31-Mar-09
Prepaid Expenses-Services	3,565,350.00	3,565,350.00
Prepaid Insurance	-	105,265.24
Employee advance	2,028,486.98	2,228,229.98
Accounts Receivable - Revenue Department	1,124,303.85	1,208,707.48
Withholding Tax & VAT	3,914,563.09	3,320,137.88
Total Other Current Assets	10,632,703.92	10,427,690.58

Net Eng Tel Company Limited

Notes to the financial statements for the year ending 31 March 2010 and 31 March 2009

6. Fixed Deposit is consists of

Particulars	31-Mar-10	31-Mar-09
Siam Commercial Bank	-	1,160,652.43
Kasikorn Bank	768,902.24	1,052,753.43
Bank Guarantee	2,862,102.17	3,695,999.94
Total	3,631,004.41	5,909,405.80

Bank Guarantees are for various projects of the company as security money

6a. Short Term Loans to Directors and Related Parties consists of

Particulars	31- Mar-10	31- Mar-09
Loans to Mr. Rungsak	1,056,400.00	1,190,596.16
Loans to To Be One Technologies	201,550.00	-
Total	1,257,950.00	1,190,596.16

Net Eng Tel Company Limited

Notes to the financial statements for the year ending 31 March 2010 and 31 March 2009

7. Building and Equipments as on 31 March 2010 and March 2009 consists of

Description	As At 01 April 09	Additions During the Period	As At 31 March 10
Cost			
Office Automation	1,478,806.32	-	1,478,806.32
Equipment	219,869.78	15,422.05	235,291.83
Vehicle	827,251.55		827,251.55
Office Decoration	1,874,013.65	2,085.00	1,876,098.65
Total	4,399,941.31	17,507.05	4,417,448.36
Accumulated Depreciation			
Office Automation	995,746.75	96,611.91	1,092,358.66
Equipment	94,579.55	25,058.04	119,637.59
Vehicle	827,250.16	-	827,250.16
Office Decoration	1,565,185.06	61,765.72	1,626,950.78
Total	3,482,761.52	183,435.67	3,666,197.20
Net Balance	917,179.78		751,251.16

Net Eng Tel Company Limited

Notes to the financial statements for the year ending 31 March 2010 and 31 March 2009

8. Short term Loans from Personnel related as on 31 March 2010 and March 2009 consists of

Particulars	31-Mar-10	31-Mar-09
Loan From Directors.	3,997,901.32	4,675,612.50
Loans from To Be One Co. Ltd	1,320,500.00	-
Loans from Mr. Pravit	9,090,600.00	368,350.00
Loan from Netsol Technologies	444,800.00	1,320,500.00
Loan from Gemini Pictures	2,502,000.00	6,039,550.00
Account Payable - ACIS	1,018,800.50	1,018,800.50
Total	18,374,601.82	13,422,813.00

Short-Term Loans from Personal Related. The whole amount of loan from director's group is interest free.

9. Other Current Liabilities as on 31 March 2010 and 31 March 2009 consists of

Particulars	31-Mar-10	31-Mar-09
Salary Payable	540,154.00	189,920.62
Contribution to Social Security Fund	33,082.00	37,252.00
With holding Tax Payable	49,304.80	75,701.83
Other Accrued Expenses	2,529,800.00	1,076,713.60
Accounts Payable - Revenue Department	100,244.87	-
Total	3,252,585.67	1,379,588.05

Net Eng Tel Company Limited

Notes to the financial statements for the year ending 31 March 2010 and 31 March 2009

10. Long Term Loans from Financial Institutions

Particulars	31-Mar-10	31-Mar-09
Account Payable Loans – KTB Bank	3,034,013.69	3,197,053.65
Account Payable Loans – Standard Bank	777,569.27	1,003,762.62
Total	3,811,582.95	4,200,816.27

11. Profit (Loss) per share

Profit (Loss) per share as shown in statement of income is Profit (Loss) per ordinary share calculated from profit (loss) divide by number of ordinary shares.

12. Item shown on financial statement

Financial statement of the company has shown in form of Balance Sheet and Income Statement follow limited company's Standards issued under the Department of Business Development about the short note that have to be in Financial Statement on 14 September 2001 follow to accounting ACT 2543

INSOFT SYSTEMS PTE LTD
(Incorporated in Singapore)

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited financial statements of the company for the year ended 31st March, 2010.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of computer consultancy services, hardware and software exports. Its registered office is at 1, Sophia Road, #07-18, Singapore-228149.

RESULTS FOR THE FINANCIAL YEAR AND MATERIAL MOVEMENTS IN RESERVES OR PROVISIONS

	31st March, 2010	(Amount in Rs.) 31st March, 2009
Net Profit/(Loss) for the period ended	(155,548,216)	(151,459,951)

There were no material transfers to or from provisions during the year except for normal amounts set aside for depreciation as disclosed in the financial statements.

ISSUE OF SHARES

There were no changes in the authorised and issued ordinary share capital of the company during the year

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the company or any other body corporate.

DIVIDENDS

The directors do not recommend that a dividend be paid.

No dividends have been paid or declared since the end of the company's previous financial year.

SUBSEQUENT EVENTS

Since the end of the financial year no charge on the assets of the company has arisen which secures the liabilities of any other person.

Since the end of the financial year no contingent liability has arisen.

No contingent or other liability of the company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

OTHER CIRCUMSTANCES

1. At the date of this report the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.
2. During the current financials year company had written off its investment held in I Max worth of Rs.15.47 Crores to profit & loss account.

UNUSUAL ITEMS

During the current financials year company had written off its investment held in I Max worth of Rs.15.47 Crores to profit & loss account.

In the opinion of the directors, subject to above the results of the company's operations during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Since the end of the previous financial year no director has received or become entitled to receive a benefit which is required to be disclosed by Section 201(8) of the Companies Act, Cap. 50, being a benefit by reason of a contract made by the company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial interest except as disclosed in the financial statements if any.

On behalf of the directors
Director

Director

Date: 01-08-2010

Insoft Systems PTE Ltd
CONSOLIDATED BALANCE SHEET AS ON 31.03.2010

(Amount in Rs.)

Particulars	Sch	As at 31st March 2010		As at 31st March 2009	
I SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
Capital	1	12,860,000		12,860,000	
Share Application Money	2	899,730,610		899,730,610	
Reserves & Surplus	3	(308,509,854)	604,080,756	(152,821,585)	759,769,025
MINORITY INTEREST			-		(299,574)
Total			604,080,756		759,469,451
II APPLICATION OF FUNDS					
GOODWILL					155,570,802
FIXED ASSETS:	4				
Gross Block				4,808,386	
Less : Accumulated Depreciation				2,629,743	
Net Block					2,178,643
INVESTMENTS	5		214,178,831		214,178,831
CURRENT ASSETS, LOANS & ADVANCES					
Sundry Debtors	6	8,703,786		15,676,643	
Cash and Bank Balances	7	40,513		339,600	
Loans and Advances	8	381,895,758		383,200,926	
		390,640,057		399,217,168	
LESS: CURRENT LIABILITIES AND PROVISIONS	9	738,132		11,675,993	
NET CURRENT ASSETS			389,901,925		387,541,174
Total			604,080,756		759,469,451

CONSOLIDATED PROFIT & LOSS ACCOUNT

(Amount in Rs.)

Particulars	Sch	As at 31st March 2010		As at 31st March 2009	
INCOME					
Sales and Services		1,795,364		1,497,778,197	
Other Income	10	135,883	1,931,247	3,091,284	1,500,869,481
EXPENDITURE					
Direct Cost			-		1,446,281,052
Administrative expenses	11		157,324,373		184,768,036
Interest	12		17,335		10,126,498
Selling and Distribution Expenses	13		-		1,014,465
Depreciation			137,755		6,636,645
			157,479,463		1,648,826,696
PROFIT BEFORE TAX			(155,548,216)		(147,957,215)
Less : Provision for tax			-		1,797,262
Add : Deferred tax			-		1,705,474
PROFIT AFTER TAX			(155,548,216)		(151,459,951)
Minority Interest			-		867,486
Balance brought forward from Previous year			(154,171,576)		29,523,769
Less: Disposal of Subsidiary			(1,209,939)		31,367,908
APPROPRIATION					
Balance carried to Balance Sheet			(308,509,854)		(154,171,576)

Insoft Systems PTE LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT (Amount in Rs.)

Particulars	INSOFT CONSOLIDATED		INSOFT CONSOLIDATED	
	31.03.2010		31.03.2009	
SCHEDULE 1				
SHARE CAPITAL				
AUTHORISED SHARE CAPITAL: (400000 ordinary shares of SGD @ \$ 1/- each)	12,860,000		12,860,000	
ISSUED, SUBSCRIBED AND PAID UP CAPITAL (400000 ordinary shares of SGD @ \$ 1/- each)	12,860,000	12,860,000	12,860,000	12,860,000
		12,860,000		12,860,000
SCHEDULE 2				
SHARE APPLICATION MONEY				
		899,730,610		899,730,610
		899,730,610		899,730,610
SCHEDULE 3				
RESERVES AND SURPLUS				
Cost of Control		-		869,111
Foreign Currency Translation Reserve				
Fixed Asset Cost		-		(478,456)
Fixed Asset Depreciation		-		135,126
Other		-		824,197
PROFIT AND LOSS ACCOUNT				
Surplus from Profit and Loss Account		(308,509,854)		(154,171,563)
		(308,509,854)		(152,821,585)
SCHEDULE 5				
INVESTMENTS				
FXA World Plc		214,178,831		214,178,831
		214,178,831		214,178,831
SCHEDULE 6				
SUNDRY DEBTORS				
Sundry Debtors		8,703,786		15,676,643
		8,703,786		15,676,643
SCHEDULE 7				
CASH AND BANK BALANCES				
Cash and Cheques on hand		-		28,453
With Scheduled Banks				
Standard Chartered Bank		40,513		39,480
Lloyds TSB		-		271,667
		40,513		339,600
SCHEDULE 8				
LOANS AND ADVANCES				
Unsecured and considered good				
Advances recoverable in cash or in kind or for value to be received		2,442,393		3,747,561
Amount paid to Bay Tech Inc, Singapore		62,788,950		62,788,950
Receivable towards sale of Investements		316,659,592		316,659,592
Deposits		4,823		4,823
		381,895,758		383,200,926

Insoft Systems PTE LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT (Amount in Rs.)

Particulars	INSOFT CONSOLIDATED	
	31.03.2010	31.03.2009
SCHEDULE 9		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors	738,132	10,695,361
PROVISIONS:		
Provision for Taxation	-	572,714
Others Provisions	-	407,919
	738,132	11,675,993
SCHEDULE 10		
OTHER INCOME		
Interest Income	-	2,960,924
Misc. Income	135,883	-
Foreign Exchange Fluctuation Income	-	130,360
	135,883	3,091,284
SCHEDULE 11		
ADMINISTRATIVE EXPENSES		
Personnel cost	1,681,319	13,900,253
Consultancy Charges	675,150	83,021
Rent	-	3,447,417
Rates and Taxes	-	477,882
Insurance	-	132,745
Electricity Charges	61,750	-
Remuneration to Auditors	-	2,517,567
Repairs and Maintenance	-	1,321,003
Travelling and Conveyance	40,785	993,628
Printing and Stationery	-	476,150
Communication Expenses	104,955	1,774,461
Miscellaneous Expenses	47,058	6,154,085
Loss on sale of Investment	-	151,389,881
Difference in exchange	-	2,099,942
Investment written off	154,713,355	-
	157,324,373	184,768,036
SCHEDULE 12		
INTEREST		
Bank	-	10,033,911
Others	17,335	92,587
	17,335	10,126,498
SCHEDULE 13		
SELLING AND DISTRIBUTION EXPENSES		
Advertisement Charges	-	1,014,465
	-	1,014,465

Schedule No:05: Fixed Assets:(Consolidated)

(Amount in INR)

Particulars	Gross Block						Depreciation				Net Block		
	Cost as at 01-04-2009	Additions	Deletion	Deletion on Consolidation	FC:TR	Cost as at 31-03-2010	As at 01-04-09	During the year	Deletion	Deletion on Consolidation	FCTR	As at 31-03-10	As at 31-03-09
Computer & Accessories	4,508,909	-	2,687,386	1,821,523	-	-	2,358,673	112,318	1,863,822	607,169	-	-	2,150,236
Furniture & Fixtures	299,477	-	299,477	-	-	-	271,070	25,437	296,507	-	-	0	28,407
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,808,386	-	2,986,864	1,821,523	-	-	2,629,743	137,755	2,160,328	607,169	-	0	2,178,643

INSOFT SYSTEMS PTE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS AT - 31st MARCH 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1.GENERAL

The Principal activities of the company are that of computer consultancy services, hardware and software exports. Its registered office is at I Sophia Road #07-18, Singapore 228149

2 SIGNIFICANT ACCOUNTING POLICIES

(a)Accounting convention:

The Financial Statements are prepared in accordance with the historical cost convention.

(b)Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the holding company and by other members of the group.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

c) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Currency Units, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Currency Units using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, were not significant during the year.

d)Income Tax

Tax expense is determined on the basis of tax effect accounting, using the liability method. It is applied to all timing differences except that a debit balance or a debit to the deferred taxation account is not carried forward unless there is reasonable expectation of its realization.

e) Income recognition

Income is recognized when goods are sold and accepted by the buyer.

f) Fixed Assets:

Fixed Assets are stated at carrying amount less accumulated Depreciation. Depreciation is provided on Straight Line Method.

g) Employee Benefits:

Contributions to defined plans are recognized as expenses in Profit & Loss Account.

h) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Trade receivables

Trade receivables are measured at initial recognition at cost. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

j) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

INSOFT SYSTEMS PTE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS AT - 31st MARCH 2010

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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name and Address of Equity Shareholder (IN BLOCKLETTERS): _____

Name and Address of the Proxy (IN BLOCK LETTERS, to be filled in by the proxy attending instead of the equity shareholder):

I hereby record my presence at the 19th Annual General Meeting of the Company, convened on Thursday, the 30th day of September 2010 at, The MusicAcademy, Madras New No.168 (Old no. 306), T.T.K. Road, Royapettah, Chennai – 600 014, at 09.30A.M.

Reg. Folio No : _____ DP ID No. : _____

Client ID No : _____ No. of Shares : _____

Signature of the Equity Shareholder / Proxy

NOTE: Equity Shareholders attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall

Teledata Informatics Ltd

Regd. Office: Teledata Tower 1st Floor 37/1 Velachery Tambaram Main Road Velachery Chennai 600042

FORM OF PROXY

I/We _____ of _____

_____ being a member/members of Teledata Informatics Ltd

hereby appoint

_____ of _____ failing him _____ of _____

_____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 30th day of September, 2010 at the Music Academy, Madras, New no. 168 (Old no. 306), T.T.K. Road, Royapettah, Chennai – 600 014, at 09.30A.M.and/or at any adjournment(s) thereof.

Dated this _____ day of _____, 2010

Name: _____

Address: _____

Reg. Folio No : _____ DP ID No. : _____

Client ID No : _____ No. of Shares : _____



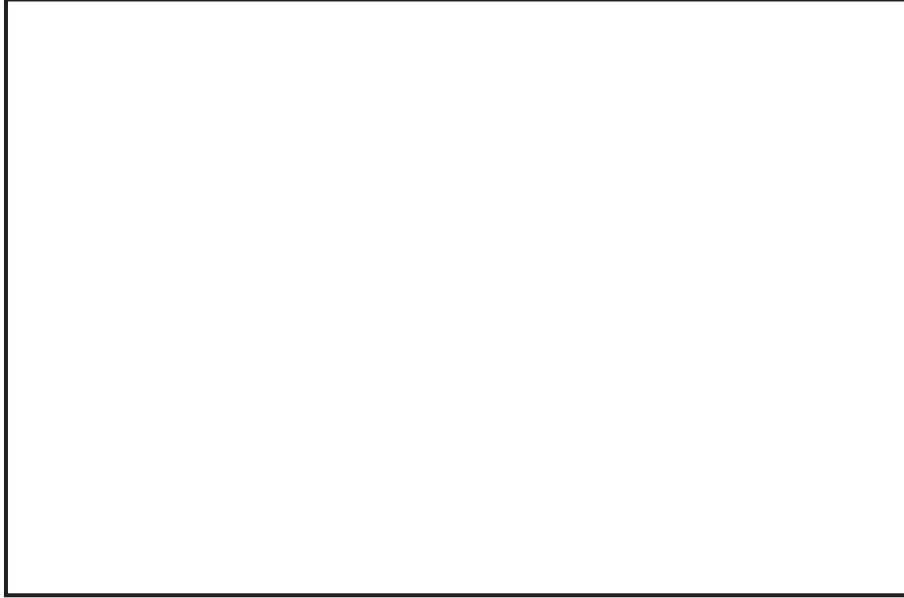
.....
Signature of Shareholder/Proxy

Notes:

- 1. The Proxy Form must be deposited at the Registered Office of the Company at **Teledata Tower 1st Floor 37/1 Velachery Tambaram Main Road Velachery Chennai 600042** atleast 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.
- 2. All alterations made in the Proxy Form should be initialed.
- 3. In case of multiple proxies, proxy later in time shall be valid and accepted.

BOOK POST

TO



Teledata Informatics Ltd

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