



Towards Business Consciousness

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

4th ANNUAL REPORT

YEAR 2009 - 2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

FOURTH ANNUAL REPORT YEAR 2009 - 2010

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CORPORATE INFORMATION

Chairman	Gp.Capt.K.Balasubramanian,IAF (Retd.)
Directors	Mr.M.S.Ramakrishnan Mr.N.Sakthivel Mr.R.Ravichandran Mr.G.Jagadish
Company Secretary	Mr R.Manthramurthy
Auditors	S Ramachandran & Co., Chartered Accountants Flat 8, Murali Anand Apts, 65, Alamelumangapuram, Mylapore, Chennai 600 004
Bankers	State Bank of India Overseas Branch, 86,Rajaji Salai,Chennai-600 001 Yes Bank Ltd. 143/1, Nungambakkam High Road Chennai - 600 034
Registered Office	Teledata Tower, 37/1,Tambaram Main Road, Velachery,Chennai-600 042
Share Transfer Agents	Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai -600 002

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the shareholders of Teledata Technology Solutions Limited will be held on 20th December 2010, at 10:30 AM . at HOTEL KANCHI, 1st floor, No.28, Ethiraj Salai, Egmore, Chennai 600 008. to transact the following business:

Ordinary Business:

- 1.To receive, consider and adopt the Directors' Report, the Audited Profit and Loss Account for the year ended 31st March, 2010 and Balance Sheet as at that date and the Auditors' Report thereon.
- 2.To appoint a Director in place of Mr.R.Ravichandran who retires by rotation and being eligible offers himself for re - appointment.
- 3.To appoint M/s. S Ramachandran & Co, (Regn.No.006775S), Chartered Accountants, Flat 8, Murali Anand Apts, 65, Alamelumangapuram, Mylapore, Chennai 600 004 as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such terms and at such remuneration as the Board of Directors may deem fit.

Special Business:

Item No.4. Remuneration to non-whole time directors:

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:
“**RESOLVED THAT**, pursuant to Section 309(4) of the Companies Act, 1956, the Company hereby accords its consent to the payment of remuneration to Directors who are neither in the whole time employment of the Company nor a Managing Director (“Non-Whole time Directors”) of the Company by way of commission, for a period of five years commencing with financial year 2010-11, not exceeding 1% of net profits of the Company as determined in accordance with the provisions of Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of commission to the Non-Whole time Directors within the limit aforesaid.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be considered necessary, desirable or expedient for giving effect to this resolution.”

/By order of the Board/

For Teledata Technology Solutions Limited

Place: Chennai
Date : 18-11-2010

sd/-
N.Sakthivel
Director

NOTES:

1. The explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business under Item No. 5 is annexed hereto.
2. 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.
3. The share transfer books and Register of Members of the company will remain closed from 14th December to 20th December 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 Participants.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Item No.4**

Remuneration to non-whole time directors:

Considering the valuable services being expected of them and to be rendered by the Non-Whole time Directors, the Board of Directors has approved, subject to the approval of the members, payment of remuneration by way of commission to them, for a period of five years commencing with financial year 2010-11, not exceeding 1% of net profits of the Company as determined in accordance with the provisions of Section 198 read with Sections 349 and 350 of the Companies Act, 1956. It is being contemplated to induct two more non-executive/independent Directors into the Board.

All Directors except Mr. M.S.Ramakrishnan, Whole time Director of the Company, are concerned or interested in the resolution.

/By order of the Board/

For Teledata Technology Solutions Limited

Place: Chennai
Date : 18-11-2010

sd/-
N.Sakthivel
Direct

DIRECTORS' REPORT

To

The Members,

Your directors have pleasure in presenting the Fourth annual report of the company along with the audited statement of Accounts for the period ended March 31, 2010. The Report also includes the Management Discussion and Analysis Report in accordance with the Guidelines on Corporate Governance. The financial year has witnessed organic growth through expanded sales organization, development of Offshore Services, expanded Global Delivery capabilities in India, consolidation of operations in EMEA/APAC with strong results from Dubai-based and US operations (Bitech) & (TTS)

(Rs. In lakhs)

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Income from operations	23,113.89	31,246.77
Other income	347.90	246.51
Total Revenue	23,461.79	31,493.28
Total expenditure before Interest & Depreciation	(21,322.37)	(30,121.64)
Operating profit / Loss PBIDT	2,139.42	1371.64
Interest	(357.51)	(352.40)
Depreciation / Amortization	(134.42)	(185.98)
Profit before tax	1,647.49	833.26
Provision for tax	21.71	(58.74)
Profit after tax (PAT)	1,625.78	774.52
Less: Income tax for earlier years	-	-
Add: Expenditure tfr to CWIP	-	-
surplus brought forward	3013.09	2,198.84
Profit / (Loss) available for appropriation before effect of changes in subsidiaries	4,638.87	2,973.37
Add : Prior Period Item	65.33	(3.16)
Profit/(loss) available for appropriation	4,704.20	2,970.20
Transfer to general reserve on Demerger	-	-
Transfer to general reserve		
Minority Interest	14.70	46.61
Cost of Control		
Dividend on Equity shares subsidiary	(0.00)	(3.72)
Amount Transferred from General Reserve	210.00	-
Balance carried to Balance sheet	4,928.90	3,013.09

LISTING OF SHARES

Your Company Shares have been listed in Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd with effect from 15th July, 2009. The shares have had a turbulent ride through the year.

LINES OF BUSINESS

TTS provides world class services in the areas of IT Consulting, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Data Warehousing and related technologies.

Corporate Governance

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

Dividend

Your directors have not recommended any dividend for the financial year ended 31st March, 2010

Directors

During the year, there was no change in the constitution of the Board. Mr.R.Ravichandran retires by rotation and being eligible offers himself for re-appointment.

Fixed Deposits

Your 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 S.Ramachandran & Co., (Regn.No.06775S) Chartered Accountants retire at the ensuing Annual General Meeting. They are eligible for re-appointment and have confirmed their eligibility and willingness to accept Office as Statutory Auditors if re-appointed.

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,

that the directors 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,

that the directors 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

that the directors had prepared the annual accounts on a going concern basis.

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.

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 statements relating to the subsidiary companies are appended to 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

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

N.Sakthivel
Director

Place: Chennai
Date : 18-11-2010

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.

i) Efforts made towards technology absorption, adaptation and innovation

The Company continues to use the latest technologies for improving the productivity and continues to keep its thrust in modern technology applications- The connectivity between offices is being enhanced to increase efficiency of the systems.

ii) Benefits derived as a result of the above efforts

The technology infrastructure has remained state-of-the-art and the Company is able to provide highly productive work environment to its employees. This has resulted in world-class product development and product improvement.

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 lakhs)

Particulars	31 st March 2010	31 st March 2009
Foreign exchange earnings	126.97	116.55
Foreign exchange outgo	-	-
Earnings in Foreign currency on receipt basis	23.10	116.55
Expenditure in Foreign currency	-	-

For and on behalf of the Board of Directors

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

N.Sakthivel
Director

Place: Chennai
Date : 18-11-2010

REPORT ON CORPORATE GOVERNANCE

ANNEXURE TO THE DIRECTORS' REPORT

1. 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 all the stakeholders – shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within regulatory framework through transparency in its dealings.

2. Board of Directors

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

S.No	Name(s) of Director(s)	Category	Status	Independency
1	Capt. K.Balasubramanian IAF (Retd)	Chairman	Promoter	Non independent
2	N.Sakthivel	Non Executive	Non Promoter	Independent
3	M.S.Ramakrishnan	Whole time Director	Non Promoter	Non Independent
4	R.Ravichandran	Non Executive	Non Promoter	Independent
5	G.Jagadish	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 Boards of other companies
1	Capt. K.Balasubramanian IAF (Retd)	Chairman	5	3
2	N.Sakthivel	Non Executive	6	4
3	M.S.Ramakrishnan	Whole time Director	1	2
4	R.Ravichandran	Non Executive	1	2
5	G.Jagadish	Non executive	1	Nil

c) Number of Board Meetings held during the Financial year ended 31st March, 2010

During the year, the Board met 07 times on various dates given below:

- 09th May, 2009
- 31st July, 2009
- 03rd September, 2009
- 30th October, 2009
- 30th January, 2010
- 25th February, 2010
- 12th March, 2010

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

S.no.	No. of Board Meetings Held: 07		Last AGM attendance (Yes /No)
	Name of Directors	Attended	
1	Gp.Capt. K.Balasubramanian I.A.F.(Retd)	7	Yes
2	N.Sakthivel	7	Yes
3	M.S.Ramakrishnan	7	Yes
4	R.Ravichandran	7	No
5	Mr. G.Jagadish	7	No

e) Particulars of Sitting Fees/ Remuneration/ Commission paid to the Directors during the Financial year 2009 -10.

Your Company has not paid sitting fees to any of the Directors for the Board Meeting attended by them during the year ended 31st March, 2010.

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 confirmed compliance with the Code of Conduct as of 31.03.2010. The annual report contains a declaration to this effect signed by Managing Director.

Declaration pursuant to clause 49 of the listing agreement as on 31st March, 2010

To
The Shareholders of Teledata Technology Solutions Limited.

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 behalf of the Board

Place: Chennai
Date:

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

3. Audit Committee

The Composition and terms of reference of the audit committee are in compliance with the requirements of Clause 49 of Listing Agreement.

The members of the Audit Committee are as follows:

S.No	Name(s) of Director(s)	Category	Status	Independency
1	Capt. K.Balasubramanian IAF (Retd)	Chairman	Promoter	Non independent
2	N.Sakthivel*	Executive	Non Promoter	Independent
3	R.Ravichandran	Executive	Non Promoter	Independent

.* Mr.N.Sakthivel is the Chairman of the Audit Committee.

4. Share Transfer and Investor's Grievance Committee

The Company's shares are/ will be compulsorily traded in dematerialised form. The Company has constituted a share transfer / Investor Grievance committee comprising of the following members: M/s.Cameo Corporate Services Ltd are appointed as Registrar and Share Transfer Agent of the Company.

S.No:	Name(s) of Director(s)	Category	Status	Independency
1	Mr M.S.Ramakrishnan *	Chairman	Non Promoter	Non independent
2	Mr. N.Sakthivel	Non Executive	Non Promoter	Independent
3	Mr.R.Ravichandran	Non Executive	Non Promoter	Independent

* M.S.Ramakrishnan is the Chairman of the Committee.

The details of shareholders grievances received/replied/pending:

Type of complaint	Received	Replied	Pending
Non receipt of dividend.	Nil	Nil	Nil
Non receipt of Annual report	17	17	0
Stock Exchanges / SEBI	3	3	0
Others(share price & non credit of shares)	4	4	0
Total			Nil

5.Details of Annual/Extraordinary General Meetings:

As the Company was incorporated only on 27.10.2006, the present meeting will be the Fourth Annual General Meeting of the Company. The Company convened the First Annual General Meeting on 16 November 2007 and conducted Extra ordinary General Meetings on various dates since Incorporation the details of which are given below:

Year	AGM/EGM	Location	Date	Time
2006	EGM	2AB,GEE GEE Emerald No.151, Village Road, Nungambakkam, Chennai- 600 034	28-10-2006	2.00 P M
2006	EGM	2AB,GEE GEE Emerald No.151, Village Road, Nungambakkam, Chennai- 600 034	29-12-2006	11.00 A M
2007	EGM	2AB,GEE GEE Emerald No.151, Village Road, Nungambakkam, Chennai- 600 034	29-01-2007	10.00 A M
		-do-	24-10-2007	11.00 A M
		-do-	27-11-2007	10.30 A M
2008	AGM	Raj Place Sundar, No : 12, De,Durgabai Deshmukh Road, Opp to Sathya Studio, R.A.Puram, Chennai – 600 028.	29-09-2009	1.30 P M
2009	AGM	-do-	29-09-2009	1.45 P M

The company has passed resolutions for the allotment of shares to the members of M/s.Teledata Informatics Ltd pursuant to the Composite scheme of Arrangement in the EGM held on 24.10.2007 vide Court Order dated 12/10/2007 sanctioned by Hon 'able High Court, Madras.

6.Disclosures

- There were no materially significant related party transactions, which may have potential conflict with the interests of the Company.
- There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there have been no penalties, strictures imposed by SEBI/Stock Exchange or any other statutory authorities against the Company.
- 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 at regular intervals.
- All the mandatory requirements specified under clause 49 have been complied with.
- There are no material non listed Indian Subsidiary Company in respect of which disclosures are to be given as per Sub clause III of Clause 49 of the Listing Agreement. An appeal has been filed before the Division Bench of the Hon'ble High Court of Madras, Chennai, against the composite scheme of arrangement sanctioned by the Single Judge of the Hon'ble High court of Madras, Chennai and the appeal is pending for final arguments.

7. Means of Communication

Financial Results are published by the Company in Trinity Mirror, Makkal Kural and Your Company has published as Advertisement in Financial express (English)/ Makkal Kural (Tamil) and in Jan Satta (Hindi). The Company's quarterly results, Shareholding pattern are updated in Company/Stock Exchange website.

The Results are also displayed in URL named www.tts-consulting.com. Any official news releases are also updated in the website. No specific presentation was made to financial analysts during the year.

8. Management Discussion and Analysis

Appended to this Report.

9. General Shareholders' Information

1	Date of book Closure	14 to 20 December (Inclusive)
2	Venue of Annual General Meeting	HOTEL KANCHI, 1st floor, No.28, Ethiraj Salai, Egmore, Chennai 600 008.
3	Time and Date of AGM	at 10:30 AM ,20th December 2010
4	Registered Office	Teledata Tower 1 st Floor, 37/1, Velachery Tambaram Main Road, Velachery, Chennai – 600 042.
5	Financial Calendar : Financial Reporting for, Quarter ending 30 th June 2010 Quarter ending 30 th September 2010 Quarter ending 31 st December 2010 Quarter ending 31 st March 2011	April 2010– March 2011 End of July 2010 End of Oct 2010 End of Jan 2011 End of April 2011

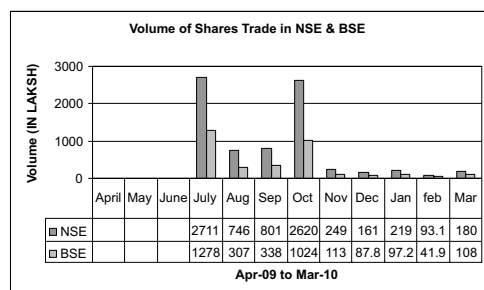
10. Stock Market Data: The shares of the company are listed in the Stock Exchange with effect from 15th July, 2009.

a) Monthly high and low quotations along with the volume of shares traded a NSE & BSE for 2009-2010 are:

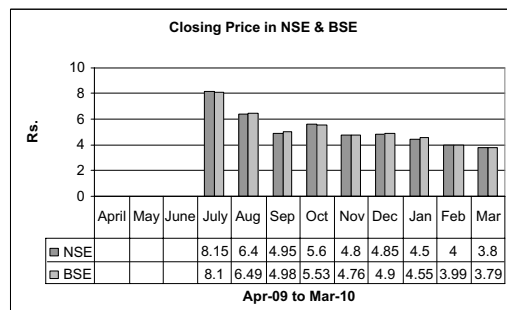
Month 2009	NSE High	Low	No. of shares traded (Volume in Lakhs)	BSE High	Low	No. of shares traded (Volume in Lakhs)
April	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	10.90	8.15	2710.95	10.55	8.10	1278.23
August	7.50	6.15	745.78	7.47	6.18	307.44
September	6.70	5.00	801.31	6.69	4.98	338.42
October	7.70	4.00	2619.77	7.56	4.00	1024.01
November	5.35	4.65	248.76	5.34	4.61	
113.25						
December	5.00	4.65	161.17	5.00	4.62	87.76
2010						
January	5.55	4.50	218.93	5.59	4.43	97.15
February	4.60	3.95	93.14	4.61	3.96	41.93
March	4.55	3.75	179.80	4.54	3.75	108.06

a) (Source : NSE & BSE data on daily closing share price of the Company)

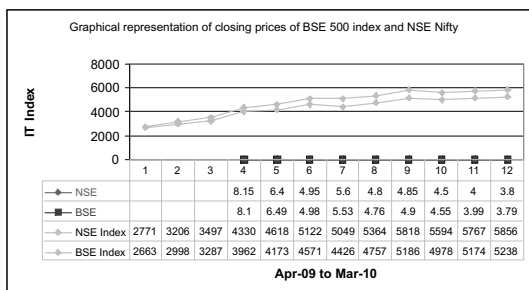
Graphical representation of volume of shares of the company during 2009-2010 is as follows:



a) Closing share prices and Indices of the company National Stock Exchange India Ltd (NSE) & Bombay Stock Limited (BSE).



Graphical representation of closing prices of BSE 200 index & NSE Nifty



11. 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
Tamil Nadu, India.
Tel: 91-44-28460390/91/92/93
Fax: 91-44-
E-mail: cameoindia.com

12. Share transfer system:

The Company has a share transfer /Investor Grievances Committee comprising of,

S.No:	Name(s) of Director(s)	Category	Status	Independency
1	Mr M.S.Ramakrishnan *	Chairman	Non Promoter	Non independent
2	Mr. N.Sakthivel	Non Executive	Non Promoter	Independent
3	Mr.R.Ravichandran	Non Executive	Non Promoter	Independent

The share transfer documents are verified by the Registrar and the Share Transfer Committee approves the share transfer in their meeting. The company secretary is the Secretary and compliance officer of the committee.

Details of shares transferred (in physical form) during 2009-10 are as follows:

S.no	No.of Transfers	06
1	No. of Sellers	06
2	No. of Buyers	01
3	No. of Shares	06
4	Total No. of Shares in physical mode as on 31 st March, 2010	398887651
5	Percentage on the Share Capital	79.84

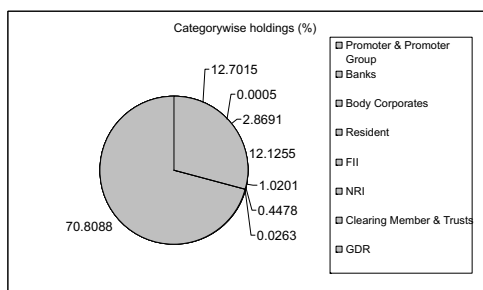
13. Distribution of Share holding as on March 31, 2010 is as follows:

Share or Debenture	Share / Debenture holders		Share / Debenture holding	
	Number	% of total	Rs.	% of total
1 -100	56434	50.2900	3182856	0.6370
101 -500	37398	33.3265	10454602	2.0926
501 -1000	8446	7.5264	6930424	1.3872
1001 -2000	4527	4.0341	6861600	1.3734
2001 -3000	1863	1.6601	4748577	0.9505
3001 -4000	814	0.7253	2919870	0.5844
4001 -5000	778	0.6932	3719470	0.7445
50001 -10000	1077	0.9597	7940886	1.5894
10001 -And Above	880	0.7841	452826755	90.6405
Total	112217	100.00	499585040	100.00

14. Shareholding Pattern as on March 31, 2010

Client Type	No. of Holders	No. of Shares	% to total shares
Promoter & Promoter Group	9	63455190	12.7015
Banks	2	2600	0.0005
Body Corporates	1365	14333690	2.8691
Resident 110047	60577544	12.1255	
FII	8	5096415	1.0201
NRI	696	2237335	0.4478
Clearing Member & Trusts	86	131766	0.0263
GDR	1	353750500	70.8088
TOTAL	112214	499585040	100

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



16. Shares dematerialized upto March 31, 2010

No. of Shares	% of shares	No. of Share holders	% of Share holders
100697389	20.16	111916	99.73

17. Address For Investors' Correspondence:

- Mr. R. Manthramurthy, Company Secretary,
Teledata Technology Solutions Limited,
1st Floor, Teledata Tower,
37/1, Velachery Tambaram Main Road,
Velachery, Chennai 600 042
Phone: 91-44-4220 7000
Fax : 91-44-2243 2727
e-mail: manthramurthy@teledatatechnology.in Webpage: www.tts-consulting.com
investors@tts-consulting.com,
- Mr. R. D. Ramasamy, Director,
Cameo Corporate Services Ltd.
Fifth Floor, Subramanian Building, No. 1, Club House Road,
Chennai 600 002
Phone: 91-44-2846 0390 /91/92/93
Fax : 91-44-2846 0129
e-mail: cameo@cameoindia.com

18. Corporate Governance: Voluntary Guidelines – 2009

These guidelines are recommendatory in nature and the Board is making efforts to incorporate these guidelines into the current corporate governance practices being followed by the Company.

19. Corporate Social Responsibility – Voluntary Guidelines – 2009

The Board is acutely aware that the Company is part of the Society and as a responsible corporate citizen we are making efforts to integrate our interests in business with that of the society. The Company strives its best to be socially, environmentally and ethically responsible and the Board is working out detailed policies and procedures in this regard for implementation in the near future.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Teledata Technology Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Teledata Technology Solutions Limited, for the period ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

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

Place: Chennai
Date: 18-11-2010

For S.Ramachandran & Co.,
Chartered Accountants

Ramachandran S.
Partner
Membership no. 18355

MANAGEMENT'S DISCUSSION AND ANALYSIS

General:

The year 2009 witnessed turbulence, with countries around the world plunging into recession. The housing bubble burst, followed by the financial crisis which brought the world to a standstill. While robust fundamentals ensured that the recession impact on India was relatively moderate, in an increasingly global environment, it could not escape declining GDP growth, rising unemployment and weakened consumer demand. However, prompt action by governments across the world and stimulus packages helped to contain this downfall and make way for revival by the end of 2009.

Worldwide technology products and services related spend is estimated to reach only USD 1.5 trillion in 2009, a decline of 2.9 per cent over 2008. Worldwide hardware markets were hit worse than software or service markets as a result of the changing economic outlook, with almost 8 per cent decline in 2009 versus 2008. Corporations extended their hardware life cycle and delayed plans for new hardware acquisitions.

The global effect on IT market revenues was a decline for TTS revenues by over twenty percent, driven largely by decreases in available business, rates and license fees from customers. The consulting firm was faced with not only an absolute decrease in revenue but the additional challenge of generating less revenue for the same amount of effort. The recession presented your Company with the platform to confront certain organizational and operational assumptions that had crept into the business model during the more prosperous times when the economy was vibrant. Our business leaders conducted a major, low level review of almost every single financial assumption built into their operating model and analyzed the manner in which the individual divisions operated both externally and internally with each other.

Organizational Rewiring

Our business leaders discovered that the evolution of the business had not forged the necessary "organizational wiring" to enable the right flow of information as well as the corporate policy and directives to maximize inter divisional cooperation. Keeping the discoveries in mind a new organizational blueprint was introduced that has removed the historical boundaries within the company and the company is implementing a global sourcing and delivery strategy that integrates the U.S. operations with their other organizations in India.

This new organizational approach complemented growth initiatives with three elements. First, there is a growing demand for new solutions to support the emerging SmartGrid and Smart Metering Markets, which in turn is driving a demand for consulting, products and solutions both in the U.S. and Europe. Hence, they designed a vertical industry strategy focused on Energy and Utilities (E&U) market to provide their enabling data and transaction management solutions and contact intelligence solutions.

Second, the IT Implementation and Operations Services Strategy drives a renewed focus on the implementation and support of the Oracle eBusiness Suite, coupled with implementation and support services for the Amdocs CRM suite of products. Their core Oracle Solutions business as well as the CRM business has evolved and now delivers the full service solution packages. The Oracle business has been particularly successful in converting implementation customers into long term support and consulting relationships. Along with new solutions, the third and the final ingredient in the re-invention of the company was the restructuring of the corporate management and global delivery operations processes. These strategies have already begun to hit the target, for instance TTS new account management approach has yielded a significant long term IT partnership contract wherein TTS will assume the overall role of IT management and operations.

People Strength

The coming year will see the implementation of a new, more efficient delivery management framework that will allow TTS to maximize the efficiency of the operations around the world. This more efficient framework will be key to the success of their product solutions and new range of lifecycle solutions for Oracle and CRM platforms. TTS' new Strategic Account Management Process (SAM) and operating model to support better customer relations aims to expand upon a set of key customer relationships the company has maintained for a number of years. To maintain the momentum of these strategic steps, the consulting firm understands the need to have a technologically savvy, spirited team and is working on better management and leadership approaches to attain new levels of clarity with their employees, to enhance communication within the business and foster a faster delivery process.

Future Outlook

According to NASSCOM Strategic Review Report, 2010, Global GDP, after declining by 1.1 per cent in 2009, is expected to increase by 3.1 per cent in 2010 and 4.2 per cent in 2011, with developing economies growing thrice as fast as the developed economies. Improving economic conditions signifying return of consumer confidence and renewal of business growth, is expected to drive IT spending going forward.

IT services is expected to grow by 2.4 per cent in 2010, and 4.2 per cent in 2011 as companies coming out of recession harness the need for information technology to create competitive advantage. Organizations now recognize IT's contribution to economic performance extending beyond managing expenditures. They expect IT to play a role in reducing enterprise costs, not merely with cost cutting but by changing business processes, workforce practices and information use. Movement towards SaaS and cloud computing, shared services, and more selective outsourcing will take firm shape as near-term priorities to address constrained IT budgets.

Government IT spending continues to rise across the world, focusing on infrastructure, and security. Other areas of spending include BPM, data management, on demand ERP, virtualisation, and efforts to increase and deliver enterprise managed services on IP networks.

Business process outsourcing spending in 2010 is expected to be increasingly driven by F&A segment and procurement, followed by HR outsourcing. Providers will increase their focus on developing platform BPO solutions across verticals and services.

TTS rebranded and consolidated itself over a two-year period following acquisition of businesses and divisions like LogicaCMG's Detroit unit, Alphasoft Services Corporation and Abaris to attain its current set of capabilities as a business. With about 750 employees around the world, TTS is set to venture in new geographies while raising additional capital for both organic and inorganic growth through acquisitions in key markets.

Risk Factors:

Recent economic slowdown and worst recession since World War II has posed new threat of protectionism in the Western Developed countries as a growing anger against job losses due to off shoring activity to developing nations like India and China. Some governments have already started talking about tax incentives for companies who prefer local talent or outsourcing rather than off shoring non-core business to another country.

As a de-risking strategy, companies have moved over to multi vendor IT outsourcing from sole sourcing, this has opened up opportunities for Indian IT companies to participate in large multi-million dollar deals. Global companies are expanding their outsourcing activities to leverage the high quality, cost competitive IT services from India. We believe our strong brand, robust quality process and access to skilled talent base at lower costs places us in a unique position to take advantage of the trend towards outsourcing IT services.

We believe that our global delivery model allows us to provide services on a best shore basis. Customers benefit from round the clock execution schedules, quality control measures and best in class resources pooled in across geographies for high quality delivery and risk management practices to ensure uninterrupted services.

In the marketplace, we compete with both international and local providers. We are witnessing higher pricing pressures due to commoditization of manufactured products business and higher focus on Indian markets by all leading IT companies. We are favorably positioned due to our quality leadership, our ability to create client loyalty and our expertise in select markets. We are also diversifying our products into e learning projects, which have untapped potential.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes in formulating adequate and effective internal control systems and implementing the same to ensure that the assets and interests of the Company are safeguarded and reliability of accounting data and its accuracy are ensured with proper checks and balances. The Company has a strong internal audit programme, which examines and evaluates the adequacy and effectiveness of internal control systems. The internal audit ensures that the systems designed and implemented, provide adequate internal control, commensurate with the size and operations of the Company.

HUMAN RESOURCES

People power is one of the pillars of success at TTS. The Company employs nearly 750 individuals across the globe, who shares a passion for excellence. The key attributes of human capital at TTS are a rich knowledge base, expertise and experience. Employee-management relations remained cordial through 2009-10. Human resource management system at TTS puts accent on rewarding merit based performance and raising the skill level of employees.

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement.

Review of Financial Performance:

The financial performance of the company on a consolidated basis including the turnover of subsidiaries, have been taken for the purpose of analysis

I. Analysis of Profit and Loss Account:

Turnover & other Income

The company has reported a turnover of Rs. 23,113.89 lakhs for the year ended 31st March, 2010 compared to Rs. 31,246.77 lakhs for the previous year ended 31st March, 2009, thereby showing a fall of 26.03% compared to the previous year.

The fall in the total revenue is mainly on account of economic slowdown and decrease in Enterprise Resource Planning (ERP) & Customer Relations Management (CRM) segments especially in the developed countries.

Expenditure

1. Purchase of Software/Outsourcing

The Purchase of Software/Outsourcing expenses for the period stood at Rs. 13,563.12 lakhs compared to Rs. 22,434.18 lakhs in the previous years. This includes the expenses incurred by overseas subsidiaries for outsourcing the services. The decrease is mainly due to cost cutting measures adopted by management with relation to sales.

2. Administrative Expenses

The Administrative expenses for the period stood at Rs. 7,718.73 lakhs compared to Rs. 7,465.74 lakhs in the previous year, thereby registering a rise of about 3.39 % this is because of increase in Personnel Cost and amortization expenses.

a. Personnel Cost

The personnel cost of the period stood at Rs. 4,894.44 lakhs, compared to Rs. 3,887.09 lakhs in the previous year, thereby recording a rise of about 26% which is mainly due to increase in number of employees and annual increments of salary during the year.

b. Travelling and Conveyance

The traveling expenses during the period stood at Rs. 245.00 lakhs, compared to Rs. 423.75 lakhs in the previous period. The decrease is mainly due to less travels made with relation to selling and marketing expenses.

c. Miscellaneous Expenses

Miscellaneous expenses for the period stood at Rs 51.20 lakhs as against Rs. 112.31 lakhs in the previous year.

d. Foreign Exchange Fluctuation Loss

The Loss on account of Exchange fluctuation during the period stood at Rs. 110.51 lakhs. This is due to the rupee depreciation against dollar.

e. Service Charges

There was payment of 926.46 lakhs for Service Charges for the period as against Rs. 594.74 lakhs in the previous year. The increase is due to increase in US Outside Service.

f. Others

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

1. Bad debts written off

During the year, the Company has written off bad debts to the extent of Rs. 286.29 lakhs considering the bleak prospects of recovery.

2. Interest & other Finance charges

The outgo on account of interest expenses for the period stood at Rs. 357.51 lakhs as against Rs. 352.40 lakhs in the previous year.

3. Selling & Distribution Expenses

The Selling and Distribution expenses for the period stood at Rs. 40.52 lakhs as against Rs. 221.72 lakhs during the previous year. The decrease is mainly on account of reduction in commission & marketing expenses in US.

4. Depreciation

The depreciation for the year stood Rs. 134.42 lakhs as against Rs. 185.98 lakhs.

5. Profit before tax

Profit before tax (PBT) for the period stood at Rs. 1,647.49 lakhs as against Rs. 833.26 lakhs during the previous period.

6. Provision for tax

Provision for tax during the year is Rs. 21.71 lakhs.

7. Profit after Tax

The profit after tax for the year stood at Rs. 1,625.78 lakhs as against Rs. 774.52 lakhs before providing for the minority interest. The increase in profit is mainly due to reduction of 40% in purchase cost and decrease in selling and marketing expenses and travelling expense.

II Analysis of Balance Sheet:**1. Share Capital**

The Paid-up Share Capital of the Company stood at Rs. 9,991.70 lakhs for the year ended as compared to Rs. 2,916.69 lakhs in the previous year.

The increase in share capital is due to issue of additional 353,750,500 shares by way of GDRs..

2. Reserves & Surplus

The Increase during the year under Reserves & Surplus is mainly due to premium received on GDR issue, surplus available under Profit and Loss Account, after apportioning the minority interest and cost of control in relation to overseas subsidiaries.

3. Secured Loans

The overall Secured Loans for the period stood at Rs. 3,444.92 lakhs as compared to Rs. 3,597.96 lakhs in the previous years.

4. Unsecured Loans

The outstanding unsecured loans at the end of the current year were at Rs. 55.08 lakhs as against Rs. 50.08 lakhs during the previous year.

5. Minority Interest

Minority Interest in subsidiaries represents the proportionate share of the minority shareholders in the net assets and net income of the subsidiaries and the same stands at Rs. (71.33) lakhs for the year as against Rs. (56.58) lakhs in the previous year.

6. Goodwill

Goodwill amounting to Rs. 5,032.30 lakhs during the current year as against Rs. 1,293.73 lakhs represents the difference between the purchase price and book value of assets and liabilities of the subsidiaries.

7. Fixed Assets

The Net Block during the year stood at Rs. 197.47 lakhs as compared to Rs. 459.87 lakhs in the previous year. The decrease is mainly due to sale of fixed assets and foreign currency translation reserve.

8. Investments

The Investments at the end of the year stood at Rs. 3,673.53 lakhs as compared to Rs. 4,166.30 lakhs in the previous year.

9. Sundry Debtors

Sundry debtors stood at Rs. 15,981.46 lakhs for the period ended 31st March 2010 as against Rs. 19,092.53 lakhs in the previous year. The debtor's level has come down due to revised credit terms. The company has taken steps to collect the receivables and hoping to improve the debtor's realization in the coming years.

10. Cash and Bank Balances

The Cash and Bank Balances at the end of the year stood at Rs. 17,337.58 lakhs as against Rs. 1,208.47 lakhs in the previous year. The increase is mainly due to amount received from GDR issue.

11. Loans and Advances

Loans and Advances during the year stood at Rs. 3,396.24 lakhs as against Rs. 5,762.49 lakhs in the previous year.

12. Current Liabilities and Provisions

a. Sundry Creditors

The outstanding sundry creditors as at 31/03/2010 stood at Rs. 14,903.75 lakhs as against Rs. 18,765.92 lakhs in the previous year.

b. Provisions

The provisions for the year stood at Rs. 58.22 lakhs compared to Rs. 525.40 lakhs in the previous year.

AUDITOR'S REPORT

To,
The Members of Teledata Technology Solutions Limited

We have audited the attached Balance Sheet of Teledata Technology Solutions Limited ("the company") as at March 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. 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.

1. 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 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 principle 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. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks we considered appropriate, and according to the information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the company.

3. a) *Attention is invited to Note No 2C of schedule P regarding compliance of filing necessary forms with Registrar of Companies for increase in authorized capital.*

b) *We are unable to express an opinion on the ultimate realisability of Rs.17,786.60 thousands due from Soltius Infotech (India) Pvt. Ltd., a subsidiary of Bitech International LLC, Dubai as referred in Note No.11 of Schedule P.*

c) *Attention is also invited to Note No.17 in Schedule P regarding pending allotment of Shares of Rs.6,33,498.10 thousands shown under SAMPA in subsidiaries for over three years.*

4. Further to our opinion comments in the annexure referred to in paragraph (2) above, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of our audit;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appear from our examinations of those books and proper return adequate for the purpose of audit have been received from the branches not vested by us.;

c) the balance sheet and the profit and loss accounts and cash flow statements dealt with by this report are in agreement with the books of accounts;

d) in our opinion, the Balance Sheet, Profit and Loss Accounts and Cash Flow Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956, except for AS(15) regarding employee benefits as noted in note no.6 of Schedule 'P'.

e) on the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors of the Company, we report that none of the directors is 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.

5. In our opinion and to the best of our information and according to the explanation given to us, the account reads together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:-

a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31,2010;

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

c) in the case of Cash Flow Statement, of the cash flow of the year ended on that date.

For S Ramachandran & Co.,
Chartered Accountants
Firm No. 006775S

Ramachandran S
Partner
Membership No: 18355

Place: Chennai
Date: 18-11-2010

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (2) of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information

b) The fixed assets of the Company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its assets.

c) The Company during the year has not disposed any of its fixed assets
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) a. According to the information and explanation given to us, the company has granted interest free unsecured loans to 5 parties covered in the register maintained under section 301 of the companies act, 1956. The maximum balance outstanding during the year was Rs.2,07,709.03 thousands and the year end balance of the loan was Rs.1,98,619.42 thousands.

b. As explained to us by the management the other terms and conditions of the above said loans are not prejudicial to the interest of the company

c. The principle amount has not fallen due in this year as the same is payable on demand.
- d. The Company is in the process of regularization of the interest free loans given to subsidiary as per the provision of Section 372A of the Companies Act, 1956.

(B) a. According to the information and explanations given to us, the company has taken interest free unsecured loans from 3 parties covered in the register maintained under section 301 of the companies act, 1956. The maximum balance outstanding during the year was Rs.7,169.55 thousands and the balance outstanding during the year was Rs.7,161.30 thousands.

b. As explained to us by the management the other terms and conditions of the above said loans are not prejudicial to the interest of the company

c. The principle amount has not fallen due for repayment.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of business.
5. a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into in the register maintained under section 301 of the companies act, 1956 have been so entered.

b. 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 registers maintained under section 301 of the companies act, 1956 aggregating during the year to Rs.500 thousands or more in respect of any party during the year have been made at prices which in the opinion of the management are reasonable having regard to prevailing market prices at relevant time. This being technical matter we have relied on management assessment.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public as per provisions of section 58A and 58AA or any other relevant provisions of companies act, 1956. Accordingly, the provisions of clause 4(vi) 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 any internal audit. However, the internal control that exists is commensurate with the size and operation of the company.*
8. The central government has not prescribed maintenance of cost records u/s 209(1) (d) of the companies act, 1956 for the company.
9. a. According to the information and explanations given to us, some delay is noticed in depositing with the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.

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

c. According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, customs duty and excise duty/cess which have not been deposited on account of any dispute.
10. Based on the audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or banks during the year.

11. The company has no accumulated losses at the end of the financial year and has incurred cash loss during the financial year under Audit and also incurred cash loss in the immediate preceding financial year.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company 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, clause 4(xiii) of the companies (Auditor's Report) orders 2003 is not applicable to the company.
14. The company has not dealt or traded in shares, securities, debentures or other investments during the year. All securities and other investments have been held by the company in its own name.
15. As per information and explanations given to us, the company has given corporate guarantees which in our opinion are not prima facie prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the company has availed working capital loan from banks and portion of the amount was utilized for purpose other than working capital.
17. In our opinion and according to the information and explanations given to us, and on overall examination of balance sheet of the company, we are of the opinion that, no funds raised on short-term basis, have been used for long-term investments.
18. The company has not made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered under our report. Accordingly provisions of clause 4(xix) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. The company has raised money by way of Global Depository Receipts during the year. The management has disclosed the end use of money raised by the said GDR Issue (Refer Note No.2 (a) on Schedule P) and the same has been verified by us.
21. Based on the audit procedures performed and information and explanations given by the management, we report no material fraud on or by the company has been noticed or reported during the course of audit.

For S Ramachandran & Co.,
Chartered Accountants
Firm No. 006775S

Ramachandran S
Partner
Membership No: 18355

Place: Chennai
Date: 18-11-2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in thousands)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	A	999,170.08	291,669.08
Reserves and Surplus	B	<u>1,581,644.02</u>	<u>588,759.17</u>
		2,580,814.10	880,428.25
Loan Funds			
Secured Loans	C	38,197.99	-
Unsecured Loans	D	<u>5,508.51</u>	<u>5,008.51</u>
		43,706.50	5,008.51
TOTAL		<u>2,624,520.60</u>	<u>885,436.76</u>
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		534.10	517.30
Less: Depreciation		<u>79.13</u>	<u>14.52</u>
		454.97	502.78
Investments	F	724,203.92	724,203.92
Current Assets, Loans and Advances			
Current Assets	G		
Sundry Debtors		13,053.93	3.78
Cash and Bank Balances		<u>1,698,218.96</u>	<u>11.24</u>
		1,711,272.89	15.02
Loans and Advances	H	<u>201,968.92</u>	<u>166,910.59</u>
		1,913,241.81	166,925.61
Less: Current Liabilities and Provisions			
Current Liabilities	I	13,137.10	5,949.83
Provisions	J	<u>243.00</u>	<u>245.72</u>
		13,380.10	6,195.55
Net Current Assets		1,899,861.71	160,730.06
TOTAL		<u>2,624,520.60</u>	<u>885,436.76</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.

As per our Report of even date

For and on behalf of the Board

For S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

-S/d-
N Sakthivel
Director

Ramachandran S
Partner
Membership Number: No.18355

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18.11.2010

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

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

(Rs. in thousands)

Particulars	Schedule	2009-10	2008-09
INCOME			
Service Income	K	15,490.12	11,654.60
Other Income	L	3,317.24	97.93
Total		18,807.36	11,752.53
EXPENDITURE			
Administrative Expenses	M	32,102.53	11,740.64
Interest and Finance Charges	N	1,944.30	17.38
Total		34,046.83	11,758.02
Profit /(Loss)Before Tax and Depreciation		(15,239.47)	(5.49)
Depreciation	E	64.61	14.52
Profit Before Tax		(15,304.08)	(20.01)
- Fringe Benefit Tax		-	31.22
Profit after Tax before earlier years tax		(15,304.08)	(51.23)
Less: Income Tax for Earlier Years		-	-
Net Profit/(Loss) for the year		(15,304.08)	(51.23)
Add: Balance Brought Forward from the Previous Year		(5,260.92)	(5,209.69)
Surplus before adjustments		(20,565.00)	(5,260.92)
Less : Transferred to General Reserve		-	-
Surplus available for Appropriation		(20,565.00)	(5,260.92)
Transferred From General Reserve		21,000.00	
Balance Carried to Balance Sheet		435.00	(5,260.92)
Basic/Diluted Earnings Per Share of Rs.2 each (in Rupees)		(0.09)	(0.00)
(In view of the smallness of EPS figure, the same is not given during the PY 2008-09)			
Significant Accounting Policies	O		
Notes on Accounts	P		

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.

As per our Report of even date

For and on behalf of the Board

For S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

-S/d-
N Sakthivel
Director

Ramachandran S
Partner
Membership Number: No.18355

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18.11.2010

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

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

(Rs. in thousands)

Particulars	2009-10	2008-09
A Cash Flow From Operating Activities		
Net Profit Before Tax	(15,304.08)	(20.00)
Adjustments For:		
Depreciation	64.61	14.52
Foreign Exchange loss /(gain)	11,005.59	(97.40)
Bad Debts written off	-	34.20
Credit Balances Written Back	(38.01)	-
GDR Issue Expenses	1,030.44	-
Interest Paid	1,816.81	-
Interest Received	(0.54)	-
Operating Profit Before Working Capital Changes	(1,425.18)	(68.68)
Adjustments For:		
Decrease / (Increase) in Trade and other receivables	(13,050.15)	-
Decrease / (Increase) in Advances And Other Receivables	(46,063.92)	(4,884.61)
Increase / (Decrease) in Trade Payables	7,222.56	3,625.67
Cash Generated from Operations	(53,316.69)	(1,327.63)
Direct Tax and Fringe Benefit Tax Paid	-	(6.76)
Net Cash From Operating Activities	(53,316.69)	(1,334.39)
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	(16.80)	(517.30)
Interest Received	0.54	-
Net Cash Used in Investing Activities	(16.26)	(517.30)
C Cash Flow From Financial Activities		
Proceeds From Issue of Share Capital	707,501.00	-
Securities Premium	1,008,188.93	-
Increase / (Decrease) of Borrowings	38,697.99	1,686.81
GDR Issue Expenses	(1,030.44)	-
Interest Paid	(1,816.81)	-
Net Cash From / (Used in) Financial Activities	1,751,540.67	1,686.81
D Net Increase/(Decrease) in Cash And Cash Equivalents (A)+(B)+©')	1,698,207.72	(164.88)
Cash and Cash Equivalents at Beginning of the Year	11.24	176.12
Cash and Cash Equivalents at End of the Year	1,698,218.96	11.24

Notes:

1 Previous year figures have been regrouped, reclassified wherever applicable.

2 Cash flow has been prepared based on the financial statements.

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

As per our Report of even date

For and on behalf of the Board

For S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

-S/d-
N Sakthivel
Director

Ramachandran S
Partner
Membership Number: No.18355

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18.11.2010

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in thousands)

Particulars	2009-10	2008-09
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
50,00,00,000 shares of Rs.2/- each (Previous Year 21,00,00,000 shares @ Rs.2/- each)	<u>1,000,000.00</u>	<u>420,000.00</u>
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
49,95,85,040 shares of Rs.2/- each fully paid up (PY 14,58,34,540 shares of Rs.2/- each)	999,170.08	291,669.08
TOTAL	<u>999,170.08</u>	<u>291,669.08</u>
SCHEDULE - B		
RESERVES AND SURPLUS		
Securities Premium Account		
Opening Balance	322,261.52	322,261.52
Add : Premium Received during the year	<u>1,008,188.93</u>	<u>-</u>
	1,330,450.45	322,261.52
General Reserve		
Opening Balance	271,758.57	271,758.57
Less : Transferred to Profit & Loss Account	<u>21,000.00</u>	<u>-</u>
	250,758.57	271,758.57
Profit & Loss Account	435.00	(5,260.92)
TOTAL	<u>1,581,644.02</u>	<u>588,759.17</u>
SCHEDULE - C		
SECURED LOANS		
From Banks		
- Cash Credit	2,826.41	-
- WCDL	<u>35,371.58</u>	<u>-</u>
	38,197.99	-
	<u>38,197.99</u>	<u>-</u>
SCHEDULE - D		
UNSECURED LOANS		
Loans from Body corporates.	5,008.51	5,008.51
Loan from Others	500.00	-
TOTAL	<u>5,508.51</u>	<u>5,008.51</u>

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - E

FIXED ASSETS

STATEMENT OF FIXED ASSETS & DEPRECIATION AS PER COMPANIES ACT, 1956 FOR THE YEAR 2009-10 (Rs. in thousands)

Description of the Asset	Rate of Dep.	Date of Purchase	No. of Days	Gross Block			Depreciation				Net Block		
				Cost as on 01/04/2009	Additions	Deletions	Cost as on 31/03/2010	Acc. Depreciation as on 01/04/2009	for the year	Deletions	Acc. Depreciation as on 31/03/2010	As on 31/3/2010	As on 31/3/2009
Computers	16.21%	30/7/2008	365	11.30	-	-	11.30	1.23	2.00	-	3.23	8.07	10.07
	16.21%	29/1/2009	365	338.00	-	-	338.00	9.31	55.00	-	64.31	273.69	328.69
Office Equipment	4.75%	1/10/2008	365	168.00	-	-	168.00	3.98	8.00	-	11.98	156.02	164.02
Furniture & Fixtures	6.33%	31/3/2010	1		16.80	-	16.80	-	-	-	-	16.80	-
TOTAL				517.30	16.80	-	534.10	14.52	65.00	-	79.52	454.58	502.78

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in thousands)

Particulars	2009-10	2008-09
SCHEDULE - F		
INVESTMENTS(Non trade unquoted)		
Investment In Bitech International LLC 300 shares of 1000 AED representing 100% shares of Bitech.	83,799.42	83,799.42
Investment in To Be One Technology Company Ltd , Representing 60% of total Equity of Thai Baht 100 Each	6,906.40	6,906.40
Share Application Money Pending Allotment -Bitech International LLC	633,498.10	633,498.10
TOTAL	724,203.92	724,203.92
SCHEDULE - G		
CURRENT ASSETS		
I. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for period exceeding six months	3,333.28	-
Other Debts	9,720.65	3.78
	13,053.93	3.78
II. CASH AND BANK BALANCES		
Cash on Hand	0.10	0.63
Balance with Scheduled Banks		
i) Current Account	15.98	10.61
Balance with Non - Scheduled Banks (Euram Bank - Vienna, Austria)		
i) Deposit Account	1,698,202.88	-
	1,698,218.96	11.24
TOTAL	1,711,272.89	15.02
SCHEDULE - H		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	3,298.82	38.66
	3,298.82	38.66
Due from Body Corporates	107,615.75	115,942.96
Due from Subsidiaries	91,003.68	50,926.47
Tax Deducted at Source	50.67	-
Deposits with - Government Departments	-	2.50
TOTAL	201,968.92	166,910.59
SCHEDULE - I		
CURRENT LIABILITIES		
Sundry Creditors		
Micro Medium and Small Scale Industries	-	-
Creditors for Expenses	9,663.82	1,767.71
	9,663.82	1,767.71
Due to Subsidiaries	2,152.79	4,052.61
Due to Body Corporates	325.83	-
Other Current Liabilities	994.66	129.51
TOTAL	13,137.10	5,949.83

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in thousands)

Particulars	2009-10	2008-09
SCHEDULE - J		
PROVISIONS		
- for FBT	14.38	46.66
- for Gratuity	228.62	199.06
TOTAL	243.00	245.72
SCHEDULE - K		
SERVICE INCOME		
- Export	12,697.29	11,654.60
- Domestic	2,792.84	-
TOTAL	15,490.12	11,654.60
SCHEDULE - L		
OTHER INCOME		
Interest Income	0.54	-
Credit Balances Written Back	38.01	-
Foreign Exchange Fluctuation Income	-	97.40
Other Income	3,278.69	0.53
TOTAL	3,317.24	97.93
SCHEDULE - M		
ADMINISTRATIVE EXPENSES		
Payment to Auditors	279.24	466.67
Personnel Cost		
Salary Account	6,502.82	2,400.53
PF Employer Contribution	185.95	91.35
Gratuity	37.19	136.75
Staff Welfare	197.64	286.36
Share Transfer, Depository & Listing Fees	6,923.60	2,914.99
Travelling & Conveyance	1,241.83	247.35
Advertisement Expenses	655.74	812.29
AGM Expenses	782.44	711.94
Bad Debts Written Off (Net)	3,655.53	-
Consultancy Charges Account	-	34.20
Foreign Exchange Fluctuation Loss	2,716.50	5,913.60
GDR Issue Expenses	11,005.59	-
Membership Fee	1,030.44	-
Rates & Taxes	-	134.67
Recruitment Expenses	227.25	-
ROC & Filing Fees	180.00	252.81
Miscellaneous Expenses	3,173.14	39.42
	231.23	212.70
TOTAL	32,102.53	11,740.64
SCHEDULE - N		
INTEREST AND FINANCIAL CHARGES		
Interest		
- Banks	1,809.70	-
- Others	7.11	11.30
Bank Charges	1,816.81	11.30
TOTAL	1,944.30	17.38

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULES - O

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

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis, in accordance with the requirements of the Companies Act, 1956.

D. Fixed Assets

- i) Fixed assets are stated at cost less depreciation. All cost relating to acquisition and installation of fixed assets are capitalised including directly attributable finance costs relating to borrowed funds and cost of bringing the asset to the 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 are amortised over a period of three years.

F. Borrowing Cost

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

G. 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 provision of Payment of Gratuity Act, is provided for and this liability is not funded

H. Provision for Doubtful Debt.

The company provides allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the company's experience and a review of the current position of the existing accounts receivable.

I. Inventories

- i) Inventories are stated at the lower of cost and net realisable value.
- ii) Cost is calculated using the First in first out (FIFO) formula and comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- iii) An allowance is made for all deteriorated, damaged, obsolete and slow-moving supplies.

J. 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.

K. Foreign Currency Transactions

- i) Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transactions. Monetary items are translated at year-end foreign exchange rates. Resultant exchange difference, arising on payment or conversion of liabilities / assets, is recognised as income or expense, in the year in which they arise.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULES - O

SIGNIFICANT ACCOUNTING POLICIES

- ii) The premium or discount on forward exchange contracts and currency option contracts are amortised and recognised in Profit and Loss Account over the period of the contract. Forward exchange contracts and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gain or loss is recognised in the profit and loss account.

L. Lease

- i) 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.
- ii) Payments made under operating leases are recognised in the income statement on straight line basis over the term of the lease. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

M. Taxes on Income

- i) Current income tax expense comprises taxes on income from operations in Indian jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.
- ii) 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.

N. 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.

O. 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.

P. 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 TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

NOTES TO ACCOUNTS

1) Scheme of arrangement

Pursuant to the Composite Scheme of Arrangement (the Scheme) under Section 391 to 394 of the Companies Act, 1956, as approved by the Honorable High Court of Judicature at Madras vide its Order dated 12th October, 2007, the Teledata Informatics Ltd (TDIL) had demerged and transferred its Technology related business to Teledata Technology Solutions Limited (TTSL), 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 receivable from TDIL is Rs. 105315.26 Thousands.

2) Global Depositary Receipts

a) TTSL has issued 35,37,505 GDRs representing 35,37,50,500 underlying Equity Shares of nominal value of Rs.2.00 each (offered at Rs.4.85 each) at USD 10.45 each GDR. Each GDR represents 100 equity shares in the capital of the company. The equity shares represented by the GDRs will represent approximately 242.58% of the company outstanding share capital before issue. The Proceeds amounting to USD 3,69,66,927.25 (INR 17,15,689.93 thousand) from the said GDRs were received on 11/03/2010 and credited to EURAM Bank (European American Investment Bank) whose registered office is at Wallnerstrasse 4, A-1010, Vienna, Austria. The details of funds received and their utilisation upto March 31, 2010 are given below:

Particulars	(Rs. in thousands)
Funds Received	
- Equity Share Capital	707,501.00
- Securities Premium	1,008,188.93
- Interest earned on Fixed Deposit	927.05
Total	1,716,616.97
Utilisation upto March 31, 2010	
- Account Opening Fee	9.35
Total Utilisation	9.35
Details of Unutilised money out of GDR issue, are given below :	1,716,607.62
- Investment in Fixed Deposits	1,698,212.16
- Amount Lying in Accrued Interest Account	927.05
- Balance in Current Account	(9.28)
Total	1,699,129.86
Difference	17,477.70

b) The difference in unutilised funds is due to forex fluctuations on reinstatement of deposit account and current account at the year end foreign exchange rates. Resulting exchange difference arising on conversion has been recognised as loss during the year ended 31st March, 2010

c) Further to Note No.2(a) above, the company has not filed necessary forms with Registrar of the Companies for increase in Authorised Share Capital. However, the management has taken steps to regularise the same during the current year.

d) Interest Accrued of Rs.9,27,05 not accounted due to reversal of interest by bank in September, 2010. Taking events occurring after balance sheet date no interest is accrued for March' 10 accounts

3) Secured Loans

i) The Credit facilities of the bank are primarily secured by current assets of the company

ii) The credit facilities of the bank are further secured by corporate guarantees of two Body Corporates, collateral of shares pledged of one Body corporate.

4) Foreign Exchange Transactions

All Monetary items are translated at the year-end foreign exchange rates, except GDR proceeds kept with Euram Bank fixed deposit account, Austria. In this case average rate from the date of the GDR Offer Document i.e 30.01.2010 to the year ended 31.3.10 has been considered, which resulted in a forex loss of Rs.17,477.77 thousands

5) Provision for Tax

The loss has resulted in a deferred tax asset of Rs.5201.65 thousands as follows. This has been not been accounted in view of Prudence as per accounting standard 22 issued by Institute of Chartered Accountants of India. Had this amount been taken loss for the year will decrease by Rs. 5201.65 thousands and the Deferred tax asset will be created for Rs. 5201.65 thousands. (The deferred tax asset of Rs.1768.85 thousands has not been recognized last year in view of prudence)

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

NOTES TO ACCOUNTS

Particulars of Timing difference	2009-10 (Rs. in thousands)	2008-09 (Rs. in thousands)
Deferred tax asset		
Loss computed	16,341.30	4,707.32
Disallowance under 40(a) of the income tax	0.00	52.62
Preliminary expenses	286.60	286.60
Demerger expenses	73.31	131.19
Provision for Gratuity	228.62	136.75
Depreciation as per Books	64.61	14.52
Total	16,994.44	5,329.00
Deferred tax liability		
Depreciation as per IT Act	160.63	124.98
Total	160.63	124.98
Net Deferred tax Asset/(Liability)	16,833.81	5,204.02
Deferred taxation @30.90%(PY 33.99%)	5,201.65	1,768.85

6) 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. The Company is taking steps to get the actuarial valuation done.

7) Contingent Liabilities:

	(Rs. in thousands)	
Particulars of the Company	2009-10	2008-09
Corporate Guarantee given to Teledata Informatics Ltd	3,100,000	3,100,000
Corporate Guarantee given to Teledata Marine Solutions Ltd	2,000,000	2,000,000
Corporate Guarantee given to Baytech Inc B V I, wholly owned subsidiary of Teledata Informatics Ltd	3,611,200	4,068,800
TOTAL	8,711,200	9,168,800

8) Details of Auditors Remuneration:

	(Rs. in thousands)	
Particulars	2009-10	2008-09
Audit Fees	200.00	200.00
Certification Fee	53.00	219.00
Service Tax	26.24	47.67
Total	279.24	466.67

9) Net Profit under Sec 349 of the companies Act.

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.

10) Loan and Dues From /To Related Parties & Associates.

The company has advanced interest free loan to parties covered under section 301 other than wholly owned subsidiaries. The Company is in the process of regularization of the same as per the provision of Section 372A of the Companies Act, 1956.

11) Investments/Advances to Subsidiaries:

a) Due from Subsidiaries includes Purchase consideration receivable from Bitech International LLC., a wholly owned subsidiary for Rs.55658 thousands (PY Rs.48519 thousands, outstanding balance as on 31.3.10 receivable from Bitech is after considering Rs.7139 thousands as gain on reinstatement) towards transfer of investment in Transworld Informations Systems Inc., as per agreement dated 27th December, 2007 payable in 3 instalments, 31st December, 2009 being the final instalments. Total of the consideration receivable is still due from the said subsidiary. In this regard, a supplement agreement has been entered by Teledata Technology Solutions Limited and Bitech International LLC on 24th December, 2009. According to which the same is repayable in three quarterly instalments starting from 24th June, 2011.

b) Amount advanced Rs.17786.60 thousands to Soltius Infotech India Private Limited, a subsidiary of Bitech International LLC, Dubai, which is not in operation. But the management is taking necessary steps to recover the said amount.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

NOTES TO ACCOUNTS

12) The information required by Paras 3 and 4 of Part II of Schedule VI to Companies Act is as under:

A. FOB Value of Exports

Description	(Rs. in thousands)	
	2009-10	2008-09
FOB Value of Exports	12,697.29	11,654.60
Total	12,697.29	11,654.60

B. Earnings in Foreign Exchange (on receipt basis)

Description	(Rs. in thousands)	
	2009-10	2008-09
Income from Software Services	2,310.50	11,654.60
Total	2,310.50	11,654.60

C. Quantitative Details

The Company is engaged in development and maintenance of computer software and IT services. The Production and sale of software and services cannot be measured 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.

13) Calculation of Earnings per share:

Particulars	(Rs. in thousands)		
	Basic (2009-10)	Basic (2008-09)	Diluted (2007-08)
Net Profit available for equity share holder	(15,304.08)	(51.23)	(51.23)
Basic / Diluted Weighted Average No. of Equity Shares (Nos.)	164,248.95	145,834.54	145,835.34
Basic / Diluted Earning per share of Rs.2 each in Rupees.	(0.09)	(0.00)	(0.00)

14) Segment Reporting- Accounting standard 17

i) Since the Company is engaged in Software consultancy & services, Primary Segment Information by Business Segment is not applicable

ii) Segment information (by geographical segment):

Particulars	USA	India
Revenue	12,697.29	2,792.84

15) In accordance with the notification no. GSR 719 (E) dt 16.11.2007, issued by the Ministry of Corporate affairs, certain disclosures are required to be made relating to Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Development Act, 2006. The company is in the process of compiling the relevant information from parties about their coverage under the said act. Since the relevant information is not readily available no disclosures have been made in the accounts. However in view of the management, and relied upon by the auditors, the impact of interest, if any that may be payable in accordance with the provisions of this act is not expected to be material.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

NOTES TO ACCOUNTS

16) Related Party Transactions-Accounting Standard 18

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:

i. List of related parties with whom transactions have taken place and relationships: (excluding reimbursement of expenses)

(As certified by the management)

Name of the Related Party	Nature of Relationship
Associate Companies :	
Teledata Informatics Ltd	Common Key Management Personnel & Associate.
Teledata Marine Solutions Limited	Common Key Management Personnel
Silver harvest investment and trading company Pvt Ltd.	Major shareholder & Associate
Teledata Informatics Limited, Dubai	Common Key Management Personnel & Associate.
Subsidiary Companies :	
Bitech International LLC, Dubai	Wholly Owned Subsidiary of the company.
To be One Technology Co., Ltd	Subsidiary holding 60%
Soltius Infotech India Pvt Ltd	Subsidiary of Bitech International LLC, Dubai
Vanguard Technologies (India) Pvt Ltd	Subsidiary of Bitech International LLC, Dubai
Transworld Solutions India Pvt Ltd	Subsidiary of Bitech International LLC, Dubai
Teledata Technology Solutions Inc	Subsidiary of Bitech International LLC, Dubai

Key Management Personnel with Nature of Relationship

Key Management Personnel with Nature of Relationship	
Name of the Related Party	Nature of Relationship
N Sakthivel	Director
Gp. Capt. K. Balasubramanian, IAF(Retd.)	Director
M.S.Ramakrishnan	Whole Time Director
R.Ravichandran	Director
G Jagadish	Director

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.
(Rs. in thousands)

Particulars	2009-10	2008-09
1) Loans and Advances granted during the year :		
Associate/Subsidiary Companies:		
Teledata Informatics Ltd	6204.33	10099.03
Teledata Informatics Ltd	1842.81	6597.23
Transworld Solutions India Pvt Ltd	8.25	23.31
Vanguard Technologies (India) Pvt Ltd	15500.00	1162.47
Soltius Infotech India Pvt Ltd	21148.50	730.10
Teledata Technology Solutions Inc	71.40	880.99
Total	44775.30	19493.13

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

NOTES TO ACCOUNTS

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.

(Rs. in thousands)

2) Loans and Advances taken during the year :		
Associate/Subsidiary Companies:		
Teledata Informatics Ltd	12339.49	9308.59
Teledata Marine Solutions Ltd	3970.07	2169.48
Transworld Solutions India Pvt Ltd	0.00	1075.00
Vanguard Technologies (India) Pvt Ltd	136.00	28.09
Silver Harvest Investment & Trading Co., Ltd	0.00	1500.00
Bitech, Dubai	72.00	126.41
Soltius Infotech India Pvt Ltd	1624.71	3429.12
Teledata Technology Solutions Inc	0.98	877.21
Total	18143.24	18513.89
3) Closing Balance of Advances (Dr Balances) :		
Associate/Subsidiary Companies:		
Teledata Informatics Ltd	105315.26	111450.41
Teledata Marine Solutions Ltd	2300.49	4427.75
Vanguard Technologies (India) Pvt Ltd	16498.38	1134.38
Teledata Technology Solutions Inc	70.42	3.78
Bitech, Dubai	56718.70	49792.09
Soltius Infotech India Ltd	17786.60	0.00
Total	198689.84	166808.41
4) Closing Balance of Advances (Cr Balances) :		
Associate/Subsidiary Companies:		
Transworld Solutions India Pvt Ltd	2152.79	2161.04
Soltius Infotech India Ltd	0.00	1891.57
Silver Harvest Investment & Trading Co., Ltd	2500.00	2500.00
Teledata Informatics Ltd, Dubai	2508.51	2508.51
Total	7161.29	9061.12
5) Revenue from Services :		
Teledata Technology Solutions Inc.,	12697.28	11654.60
Total	12697.28	11654.60
6) Major shareholder .		
Silver harvest investment and trading company Pvt Ltd.	55,000,000 nos	55,000,000 nos

Note :-

1. Advances includes expenditures incurred on behalf of the other company.

2. Nos= Number of shares.

17) The Company is taking necessary steps for the allotment of shares in subsidiary companies which is pending over the years as SAMPA-Bitech

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. In the opinion of the management the balances outstanding are good and recoverable and no provision is required in respect of the same.

19) Previous year figures have been regrouped or reclassified wherever considered necessary to bring them in line with current year figures.

As per our Report of even date

For S.Ramachandran and Co.

Chartered Accountants

FRN : 006775S

For and on behalf of the Board

-S/d-

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

Chairman

-S/d-

N Sakthivel

Director

Ramachandran S

Partner

Membership Number: No.18355

R. Manthramurthy

Company Secretary

Place: Chennai

Date: 18.11.2010

Place: Chennai

Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED			
BALANCE SHEET ABSTRACTS AND GENERAL BUSINESS PROFILE			
i.	Registration Details		
	CIN / Registration Number 061389	State Code 1 8	
	Balance Sheet Date 31/3/2010		
ii.	Capital Raised During the year		
	Public Issue Bonus Issue	Nil Nil	Rights Issue Private Placement Nil Nil
	GDR Issue	707501.00	
iii.	Position of Mobilisation and Deployment of Funds (Amt. In Rs.000s)		
	Total Liabilities	2,624,520.59	Total Assets 2,624,520.59
	Sources of funds		
	Paid up Capital	999,170.08	Reserves and Surplus 1,581,644.02
	Secured Loans	38,197.98	Unsecured Loans 5,508.51
	Deferred tax Liability	-	Share Warrants -
		TOTAL	2,624,520.59
	Application of Funds		
	Net Fixed Assets	454.97	Investments 724,203.92
	Net Current Assets	1,899,861.69	Plantation Cost -
	Deferred Tax Asset	-	Miscellaneous -
iv.	Performance of the Company (Amt. In Rs.000s)		TOTAL 2,624,520.59
	Turnover	18,807.35	Total Expenditure 34,111.43
	Profit before tax	(15,304.08)	Profit after tax (15,304.08)
	Basic Earnings Per Share (Rs.)	(0.09)	Dividend Rate (%) Nil
	Diluted Earnings Per Share (Rs.)	NA	
v.	General Name of Principle products		
	Item Code No. (ITC Code)	8 5 2 4 9 0 0 9 - 1 0	
	Product Description	Computer Software,I T enabled services.	

For and on behalf of the Board

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

N.Sakthivel
Director

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18/11/2010

Place: Chennai
Date: 18/11/2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

Statement pursuant to Section 212 (1)(e) of the Companies Act, 1956 relating to Subsidiary Companies

(Rs. In lakhs)

S No	Name of the Subsidiary Company	Bitech International LLC, Dubai	To be One Technology Company Limited, Thailand
1	Financial year of the Subsidiary ended on	31.03.2010	31.03.2010
2	Shares of the Subsidiary Company held on the above date and extent of holding	300 Shares @ AED 1000 each 100%	100000 Shares @ THB 100 each 60%
3	Net aggregate amount of profits / (losses) of the Subsidiary for the above financial year so far as they are concern members of Teledata Technology Solutions Limited		
	(I) Dealt within the accounts of Teledata Technology Solutions Limited	Nil	Nil
	(II) Not Dealt within the accounts of Teledata Technology Solutions Limited	1,723.49	(36.37)
4	Net aggregate amount of profits / (losses) of the Subsidiary for the previous financial year so far as they are concern members of Teledata Technology Solutions Limited		
	(I) Dealt within the accounts of Teledata Technology Solutions Limited	Nil	Nil
	(II) Not Dealt within the accounts of Teledata Technology Solutions Limited	996.52	(123.38)

For and on behalf of the Board

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

N.Sakthivel
Director

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18/11/2010

Place: Chennai
Date: 18/11/2010

BITECH INTERNATIONAL LLC, DUBAI, UAE

REPORTS OF THE DIRECTORS

The directors have pleasure in submitting their consolidated report together with the audited statement of accounts for the year ended 31st March, 2010.

Principal Activity:

During the previous year, the principal activities of the company were I.T consultancy services and supply of Information Technology such as computer software and its follow up services.

Financial Results:

(Amount in Lakhs)

Particulars	Period ended 31.3.2010
Total Income	2,980.50
Less : Expenses	20,113.99
Profit Before Depreciation & Tax	1,866.51
Depreciation	122.41
Profit before tax	1,744.10
Tax Expense	20.61
Profit after tax	1,723.49

Auditors:

The accounts have been audited by Jamal Auditor, Public Accountants, who retire and being eligible offer themselves for reappointment.

Dividend:

No dividend has been made or recommended by the directors for the year under report

Reserve:

No transfer of reserve has been made or proposed for the year

AUDITOR'S REPORT

Date : 07-11-2010

The Managing Director

BITECH INTERNATIONAL Group of Companies

Dubai - United Arab Emirates

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of BITECH INTERNATIONAL GROUP OF COMPANIES, Dubai, which comprise the balance sheet as at 31ST, MARCH 2010, income statement for the year then ended 31st MARCH, 2010 and a summary of significant accounting policies and explanatory notes set out in the statement.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with international financial reporting standards. The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on auditing. Those standards require complying with ethical requirements, and planning and performing the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risk of material, misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that appropriate in the circumstances but not, for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the managements, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of BITECH INTERNATIONAL GROUP OF COMPANIES, DUBAI as of 31st March 2010, and of its financial performance for the period then ended in accordance with international financial reporting standards.

-S/d-
JAMALAUDITOR
PUBLIC ACCOUNTANTS

BITECH INTERNATIONAL LLC, DUBAI, UAE**BALANCE SHEET AS AT 31ST MARCH 2010**

(Rs. in lakhs)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	A	36.75	36.75
Reserves & Surplus	B	<u>32,685.56</u>	<u>31,055.34</u>
		32,722.31	31,092.09
Loan Funds			
Secured Loans	C	<u>3,062.94</u>	<u>3,183.00</u>
		3,062.94	3,183.00
TOTAL		<u>35,785.25</u>	<u>34,275.09</u>
APPLICATION OF FUNDS			
Goodwill		28,285.21	24,412.21
Fixed Assets	D		
Gross Block		1,973.67	2,126.66
Less: Depreciation		<u>1,784.73</u>	<u>1,731.70</u>
		188.94	394.96
Intangible Assets		218.53	-
Investments	E	4,120.51	4,557.51
Deferred Tax Asset		2.80	196.14
Current Assets, Loans and Advances			
Current Assets	F		
Sundry Debtors		15,929.46	16,853.42
Cash and Bank Balances		349.24	1,064.32
Other Current Assets		<u>154.76</u>	<u>1,278.52</u>
		16,433.46	19,196.26
Loans and Advances	G	<u>1,930.73</u>	<u>2,735.12</u>
		18,364.19	21,931.38
Less: Current Liabilities and Provisions			
Current Liabilities	H	14,756.29	15,582.58
Provisions	I	<u>638.64</u>	<u>1,634.53</u>
		15,394.93	17,217.11
Net Current Assets		2,969.26	4,714.27
TOTAL		<u>35,785.25</u>	<u>34,275.09</u>
Significant Accounting Policies			
Notes on Accounts			

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.

As per our Report of even date**For and on behalf of the Board**

For JAMAL AUDITORS
Public Accountants

K Padmanabhan
Managing Director

Place: Dubai
Date: 07-11-2010

Place: Dubai
Date: 07-11-2010

BITECH INTERNATIONAL LLC, DUBAI, UAE

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

(Rs. in lakhs)

Particulars	Schedule	2009-10	2008-09
INCOME			
Turnover	J	21,681.88	30,623.25
Other Income	K	298.62	245.74
Total		21,980.50	30,868.99
EXPENDITURE			
Softwares / Outsourcing expenses/ Service Cost		12,888.90	22,071.06
Administrative Expenses	L	6,867.37	7,117.81
Selling & Distribution Expenses	M	37.28	217.03
Interest & Finance Charges	N	320.44	348.25
Total		20,113.99	29,754.15
Profit /(Loss)Before Tax and Depreciation		1,866.51	1,114.84
Depreciation	D	122.40	175.48
Profit/(Loss) Before Tax		1,744.11	939.36
Provision for Taxes			
- Current Tax		20.61	57.77
- Deferred Tax		-	-
		20.61	57.77
Profit after Tax before earlier years tax		1,723.50	881.59
Less: Income Tax for Earlier Years		-	-
Net Profit/(Loss) for the year		1,723.49	881.59
Add: Balance Brought Forward from the Previous Year		8,547.81	7,673.20
Surplus before adjustments		10,271.31	8,554.79
Less : Transferred to General Reserve		-	-
Prior Period Adjustment		(68.04)	3.31
Surplus available for Appropriation		10,339.35	8,551.48
Appropriations			
Proposed Dividend on Equity Shares		-	3.68
Dividend Distribution Tax		-	-
			3.68
Balance Carried to Balance Sheet		10,339.35	8,547.80
Significant Accounting Policies	L		
Notes on Accounts	M		

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.

As per our Report of even date

For and on behalf of the Board

For JAMAL AUDITORS
Public Accountants

K Padmanabhan
Managing Director

Place: Dubai
Date: 07-11-2010

Place: Dubai
Date:07-11-2010

BITECH INTERNATIONAL LLC, DUBAI, UAE

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
300 shares of AED 1000 each	36.75	36.75
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
300 shares of AED 1000 each	36.75	36.75
TOTAL	36.75	36.75
SCHEDULE - B		
RESERVES AND SURPLUS		
Securities Premium Account	113.44	113.44
General Reserve	1.62	1.62
Legal Reserve	18.38	18.38
Investor's Current Account (Share Holders Advance)	22,608.75	22,608.75
Foreign Currency Translation Reserve	(395.97)	(234.66)
	-	-
PROFIT AND LOSS ACCOUNT	10,339.34	8,547.81
	32,685.56	31,055.34
SCHEDULE - C		
SECURED LOANS		
From Banks :		
- Long Term Liability	861.69	3,053.86
- Bank OD	2,201.25	129.14
TOTAL	3,062.94	3,183.00
SCHEDULE - E		
INVESTMENTS		
Long Term Quoted	1.40	1.19
Long Term Unquoted	23.20	18.26
Soltius holdings company Ltd representing 40% shareholding equal to 40 Equity shares of \$1 each	4,050.92	4,050.92
Transworld solutions India Pvt Ltd -470000 shares of Rs 10 each	44.99	44.99
Other investments	-	442.15
	4,120.51	4,557.51
SCHEDULE - F		
CURRENT ASSETS		
I. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for period exceeding six months	11,251.98	11,528.25
Other Debts	4,677.48	5,325.17
	15,929.46	16,853.42
II. CASH AND BANK BALANCES		
Cash on Hand	3.35	39.74
Balance with Banks		
i) Current Account	345.89	1,024.58
ii) Deposit Account		
	349.24	1,064.32
III. OTHER CURRENT ASSETS		
Other receivables	23.28	660.58
Prepaid expenses	112.21	612.97
Accrued income	19.27	4.97
	154.76	1,278.52
TOTAL	16,433.46	19,196.26

BITECH INTERNATIONAL LLC, DUBAI, UAE

SCHEDULE -D

STATEMENT OF FIXED ASSETS & DEPRECIATION FOR THE YEAR 2009-10													(Rs. in lakhs)	
Gross Block							Depreciation					Net Block		
Description of the Asset	Cost as on 01/04/2009	Additions	Deletions	FCTR	Cost as on 31/03/2010	Acc. Depreciation as on 01/04/2009	for the year	Deletions	FCTR	Acc. Depreciation as on 31/03/2010	As on 31/3/2010	As on 31/3/2009		
Goodwill	91.11	-	91.11	-	-	41.20	-	41.20	-	-	-	49.91		
Computer & Accessories	1,274.50	0.53	0.67	6.04	1,280.39	1,159.58	75.10	0.36	5.83	1,240.14	40.25	114.92		
Furniture & Fixtures	250.24	-	34.48	4.73	220.49	170.29	20.94	7.19	1.56	185.60	34.89	79.95		
Vehicles	72.60	-	19.89	1.32	54.02	34.26	12.11	14.64	0.60	32.33	21.69	38.34		
Office Equipment	254.67	2.25	19.46	4.60	242.06	163.80	8.68	4.38	1.79	169.90	72.16	90.87		
Software	152.88	23.62	-	(0.10)	176.40	151.73	4.94	-	(0.21)	156.46	19.94	1.15		
Renovation	18.61	-	18.34	0.02	0.30	9.53	0.02	9.27	0.02	0.30	-	9.08		
Plant & Machinery	12.06	-	13.69	1.63	-	1.32	0.61	2.15	0.21	-	-	10.74		
TOTAL	2,126.67	26.40	197.64	18.24	1,973.67	1,731.70	122.40	79.19	9.80	1,784.73	188.93	394.96		

BITECH INTERNATIONAL LLC, DUBAI, UAE

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - G		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
- Capital Advances	853.26	2,258.97
- Others	853.26	2,258.97
Advance Payment of Income Tax	272.03	15.37
Loan to related Parties	784.99	415.53
	-	-
Deposits	20.45	45.25
TOTAL	1,930.73	2,735.12
SCHEDULE - H		
CURRENT LIABILITIES		
Sundry Creditors	6,897.25	7,255.29
Creditors for Expenses	348.81	3,190.62
Accounts Payable	82.49	121.32
	7,328.55	10,567.23
Due to related parties	5,950.66	4,540.19
Advance payment received	70.29	67.77
Other Current Liabilities	1,406.79	407.39
TOTAL	14,756.29	15,582.58
SCHEDULE - I		
PROVISIONS		
Tax Payable	54.72	449.96
Dividend Payable	-	11.03
Other Provisions	583.92	1,173.54
	638.64	1,634.53
SCHEDULE - J		
TURNOVER		
Sales & Service Revenue	21,681.88	30,623.25
TOTAL	21,681.88	30,623.25
SCHEDULE - K		
OTHER INCOME		
Interest Income	7.59	16.73
Profit on Disposal of Assets	1.65	
Forex Fluctuations Income		5.48
Amount Written Back	218.32	
Dividend	0.05	1.02
Miscellaneous Income	71.01	222.51
TOTAL	298.62	245.74

BITECH INTERNATIONAL LLC, DUBAI, UAE

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - L		
ADMINISTRATIVE EXPENSES		
Amortisation Expenses	65.15	9.99
Assets Written Off	51.27	
Audit fees	1.78	1.39
Bad & Doubtful Debts	271.76	249.02
Communication Expenses	144.45	61.02
Forex loss	0.43	
Insurance	42.32	86.14
Lease expenses	24.66	4.86
Legal & Professional Fees	161.38	448.61
Miscellaneous expenses	45.11	325.96
Office Expenses	49.31	35.28
Personnel cost	4,401.37	3,729.40
Postage & Courier	15.15	21.99
Power & Fuel	3.10	5.12
Printing & Stationery	1.99	5.14
Project Expenses		75.53
Rates and taxes	3.19	0.79
Recruitment Expenses	18.98	1.28
Rent	301.29	1,166.33
Repairs & Maintenance	8.59	39.57
Service charges	878.27	371.00
Service Tax	20.56	22.59
Staff Welfare	60.94	27.66
Subscriptions	25.07	18.99
Travelling & Conveyance	224.56	406.15
Vehicle Maintenance	46.69	4.00
TOTAL	6,867.37	7,117.81
SCHEDULE - M		
SELLING AND DISTRIBUTION EXPENSES		
Advertisement & Marketing Expenses	6.47	14.99
Business promotional expenses	6.92	2.33
Selling and Distribution Expenses	23.90	199.71
	37.28	217.03
SCHEDULE - N		
INTEREST AND FINANCIAL CHARGES		
Interest		
- Banks	238.67	317.40
- Others		0.22
	238.67	317.62
Bank Charges	81.77	30.63
TOTAL	320.44	348.25

BITECH INTERNATIONAL L.L.C
(GROUP OF COMPANIES)
DUBAI,
UNITED ARAB EMIRATES.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2010

1. Legal Status & Activities:

BITECH INTERNATIONAL L.L.C is a firm registered with the Department of Economic Development, United Arab Emirates as a Limited Liability Company, in accordance with Commercial Companies Federal Law No.8 of the 1984 and Law 13 as amended.

Mr. Mohd Rashid Al Abdouli a U.A.E national is the local sponsor and Mr. Krishnamurthi Padmanabhan is the Managing Director of the firm. The Commercial License No. is 507850.

Share capital and share holdings as on 31.03.2010 were as follows:

Sl. No.	Name of Share Holder	Name of the Beneficiary	%	No. of Shares	Amount (Rs. In lakhs)
1	Mr. Mohd Rashid Mohd Al Abdouli	Teledata Technology Solutions Limited, Chennai	51	153	18.67
2	Mr. Krishnamurthi Padmanabhan	Teledata Technology Solutions Limited, Chennai	49	147	17.93
Total			100	300	36.60

The main activities of the Company are I.T consultancy services and supply of Information Technology such as computer software and its follow up services.

1.1 List of Foreign Subsidiaries & Associates (Owned by Bitech International L.L.C., Dubai):

Sl. No.	Name of the Company	Country of Incorporation	Effective Equity Interest Held
1	Teledata Technology Solutions INC.	United States of America	100 %
2	Nemera International Co. Ltd.	Thailand	100 %
3	Bitech International Pte Ltd.	Singapore	100 %
4	Vanguard Technologies Pvt. Ltd.,	India	100 %
5	Netsol Technologies Co. Ltd.,	Thailand	100%
6	Soltius Holdings Ltd	British Virgin Islands	40%

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Consolidation:
'Consolidation Financial Statement'

The consolidated financial statements include the accounts of Bitech International L.L.C Dubai, U.A.E and its subsidiary undertakings in Thailand, U.S.A, India and Singapore. Subsidiary undertakings are those companies in which Bitech International L.L.C Dubai, U.A.E share-holdings directly or indirectly have an interest of more than half of the voting power or otherwise, has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the group (Bitech).

All inter company transactions, balances and unrealized surpluses and deficits on transactions with between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

Separate disclosure is made for minority interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2010

Minority interest in subsidiaries represents the proportionate share of the minority shareholders in net assets and net income of the subsidiaries.

The consolidated financial statements have been prepared using the uniform accounting policies except where stated otherwise, for like transaction and are presented to the extent possible in the same manner as in the company's separate financial statement.

2.2 Revenue Recognition:

Revenue is recognized once it is invoiced to the clients and is generated from the following sources.

- i) Consulting Fees: Invoices to the clients on time basis.
- ii) Outsourcing of I.T Personnel: Monthly invoices are raised on the client's arrears.
- iii) License Fees for the Software deployed: One time license fees are invoice to the clients whenever the software is installed and implemented at the client's site.
- iv) Annual software support services: Invoice raised on the clients after getting the signed annual software service contract. These contracts specially have "non-cancelable" and "non-refundable" clauses.

2.3 Foreign Currency Transactions:

Transactions in foreign currencies are translated into U.A.E Dirham at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E Dirham at the rate of exchange ruling at the balance sheet date.

Subsidiaries:

All revenues and expense transactions during the year are reported at average rate. Monetary assets and liabilities are translated at the rate prevailing on balance sheet date, whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of transactions. Assets and liabilities of foreign subsidiaries are translated at the year-end exchange rate, fixed assets and Investments at the historical rate; Income and expenditure are translated at the average rate during the period. The resultant translation adjustment is reflected as a separate component of shareholders funds as Foreign Currency Translation Reserve.

2.4 Fixed Assets:

'Accounting for Fixed Assets'

- a) Fixed assets costs are stated at cost less accumulated depreciation. Depreciation is computed on straight line basis using rates which will reduce the assets to their residual value over their estimated useful lives for all moveable assets. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replace if any, are retired.

c) Impairment of Assets:

The carrying amounts of the property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, their recoverable amount is estimated. An important loss is recognized in the income statement whenever the carrying amount of the Property, Plant and Equipment exceeds its recoverable amount.

2.5 Goodwill:

The term "Goodwill" represents the variance between the purchase value of the subsidiaries as per the valuation, the book value of assets and liabilities acquired as of reporting date.

3 SUBSIDIARIES:

The following Subsidiaries are in operation and the revenue generated has been reported in the consolidated Financials as of 31.03.2010.

- 1. Teledata Technology Solutions Inc and its Subsidiaries, USA.
- 2. Nemera International Co. Ltd., Bangkok Thailand.
- 3. Bitech International Pte Ltd., Singapore.
- 4. Vanguard Technologies Pvt. Ltd., India
- 5. Netsol Technologies Co. Ltd., Thailand

HOLDING COMPANY

Teledata Technology Solutions Limited, Chennai, India is the holding company of Bitech International LLC.

BITECH INTERNATIONAL L.L.C
(GROUP OF COMPANIES)
DUBAI,
UNITED ARAB EMIRATES.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2010

ACCOUNTING POLICIES

4 Turnover:

Turnover represents the consolidated amount invoiced by the group of companies in respect of services rendered, sale of software products during the year. (01.04.2009-31.03.2010)

4.1 Credit Risk:

Financial assets, which are potentially exposed to the credit risk, comprise principally bank balance(s) in current account(s), accounts and other receivables and non current assets.

5. Proposed Dividend:

No dividend has been made or recommended for the year under report

5.1 Legal Service:

Bitech International L.L.C, Dubai

Statutory Reserve is created by apportioning 10% of the net profit of the company as required by the article 225 of the commercial companies Law No. 8 of 1984 as amended of United Arab Emirates.

Such Reserve fund can be maintained up to the amount, which is equivalent to 50% of the paid up capital and the same is not available for distribution, except as provided in the Federal Law.

5.2 Financial Instruments:

Financial Instruments comprise financial assets and financial liabilities. A financial assets is any asset that in cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under condition that are potentially favorable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver liability, to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

NOTES TO FINANCIALS

6. Unsecured loans:

The amount payable to non trade related party is unsecured, interest free and repayable on demand.

7. Secured Loans:

1. Abaris Inc., (Subsidiary of Teledata Technology Solutions Inc., USA) borrowed around Rs.1,800 lakhs under Term Loan from JP Morgan Chase Bank payable in 48 monthly installments of Rs.38 lakhs per month including interest at the bank's prime rate, with a final payment in February, 2012. The Term Loan is collateralized secured by the assets of Abaris Inc. Balance due as at 31.3.2010 is Rs.861.68 lakhs.

As a result of becoming in technical default of certain covenants contained in its term loan agreement, the bank may, at its opinion, give notice that the entire balance is immediately due and payable.

2. In October, 2007, TTS Inc., obtained two asset-based lines of credit from J P Morgan Chase Bank in the amounts of Rs.4,500 lakhs for use in the TTS Inc., operations. The lines of credit require monthly installments on interest-only payments. The lines of credit are collateralized by the accounts receivable and other assets of TTS Inc. During the year ended December 31, 2009 TTS Inc., has entered into a forbearance agreement with the bank whereby the lines of credit was reduced to Rs.2,250 lakhs. As of March 31, 2010 Rs.2,201.25 lakhs is outstanding under the lines of credit.

8. Deposits:

The Company deposits include around Rs.29.03 Lakhs which is subject to a charge for bank guarantees issued to Ministry of Labour UAE for obtaining employee permits .The advance around Rs.208 lakhs for acquiring commercial property in Dubai is paid under an agreement of purchase in the name of the Managing Director who is holding it for and on behalf of the company

9. Contingent liabilities:

Particulars	Amount in lakhs
Amount payable on purchase of immovable property by Bitech	208
Total	208

Teledata Technology Solutions Inc., USA is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of business activities. However, in the opinion of the management, any ultimate liability arising out of any such proceedings will not have a material adverse effect on the financial condition, results of operation or cash flow.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2010

ACCOUNTING POLICIES

10. Long Term Investments:

- a. The investment in Transworld Informations Systems Inc held by Teledata Technology solutions Limited as per agreement dated 27th December, 2007 has been transferred to Bitech International LLC., a subsidiary, for around Rs.539 lakhs.
- b. Investment in Transworld Information Systems Inc held by Bitech International LLC. (obtained from transfer of investment as stated in Point (a) above along with the balance of shares in Transworld Information Systems held by a Investor amounting to around Rs.1482 lakhs) was transferred to Teledata Technology Solutions Inc (USA) as per agreement dated 27th December, 2007. This has resulted in a payable of around Rs.539 lakhs for the company to Teledata Technology Solutions Limited and Rs.1482 lakhs to Investor. Teledata Technology Solutions Inc, USA has sought time for paying this amount to the parent company and the parent company in turn is yet to pay the above amount due to Teledata Technology Solutions Limited and the Investor. In this regard, a supplement agreement has been entered by Teledata Technology Solutions Limited and Bitech International LLC on 24th December, 2009.

11. Leases:

Teledata Technology Solutions Inc (USA) leases its corporate and administrative offices under various long term, non cancelable operating lease agreements expiring at various dates through December 2013. The agreements generally require the payment of real estate taxes, insurance and repairs.

The above said lease agreements contains provisions for future rent increase, as well as rent holiday periods. In accordance with the generally accepted accounting principles TTS Inc records monthly rent expense equal to the total of the payments due over the lease terms, divide by the number of months in the lease terms. The difference between the rent expense recorded and paid is credited or charged to deferred lease costs or benefits.

12. Short Term Loan to/from related parties:

No interest is charged on Short term loan from/to related parties lying in balance as on 31.03.10 except on loan advanced by TTS Inc to the parent company Bitech, Dubai @ 3.75% per annum(US ROI).

13. Employee Benefits:

- i) Bitech, Dubai makes provision for end of service benefits for employees in accordance with the requirements of the labour laws of UAE. This is an unfunded defined benefits retirement plan.
- ii) Teledata Technology Solutions Inc, USA has a qualified 401(k) profit plan for the benefit of its employees. Substantially all employees are eligible to participate in the plan. Under the plan, employees can contribute and defer taxes on compensation contributed. TTS Inc, at its discretion, matches within prescribed limits, the contributions of the employees.
- iii) Nemera International Pte., Ltd. & Bitech International Pte. Ltd, Singapore makes contributions to Central Provident Fund Scheme in Singapore, a defined contribution fund scheme

14. Goodwill:

In connection with the acquisition of M5 Global (Subsidiary of TTS Inc) by Teledata Technology Solutions Inc., earn-out payments became due to the sellers of M5 Global in the amounts of Rs.1,473.20 lakhs(\$3,095,179) and Rs.416.98 lakhs(\$897,902) during the years ended December 31, 2009 and December 31, 2008 respectively. Of the 2009 amount Rs.609.31 (\$1,231,425) was paid during 2009 and balance of Rs.863.89 lakhs (\$1,863,755) is accrued on the as accrued acquisition costs. The 2008 amount was paid in full during 2008. A part from the above, difference of AED Rs.39.37 lakhs (\$ 97,674) on reclassification as on 01.01.08 has been considered. These amounts have been reported as increase to the carrying value of goodwill. Subsequently TTS Inc. has made payment of Rs.463.52 lakhs (\$1,000,000) to the sellers of M5 Global Inc. towards the Rs.863.89 lakhs (\$1,863,755) earn-out obligation which was accrued at December 31, 2009

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

TO BE ONE TECHNOLOGY CO., LTD

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.

DIRECTORS OF THE COMPANY

The directors in office at the date of this report are:

1. Sanan Sunmanee
2. Mohan Ranganathan
3. Prawit Sittirit
4. Apisit.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of conducting business of designing, developing, adjusting, and installing software program and computer system.

ACCOUNTS

Accounts to show the result for the year and the statement of affairs at 31st March, 2010 are annexed

AUDITORS

The accounts have been audited by VNT Graduate Auditing Service, Certified Public Accountants, who retire and being eligible offer themselves for reappointment.

DIVIDEND

No dividend has been made or recommended by the directors for the year under report

RESERVE

No transfer of reserve has been made or proposed for the year

AUDITOR'S REPORT ON REVIEW OF FINANCIAL STATEMENTS

To the Board of Directors of TO - BE - ONE TECHNOLOGY CO., LTD.

We have reviewed the accompanying consolidates and company balance sheets of TO - BE - ONE TECHNOLOGY CO., LTD. and its subsidiaries as at 31 March 2010 and 2009, and the related consolidated and company statements of income, for the year then ended. The company's management is responsible for the correctness and completeness of information in these financial statements. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that we plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, we do not express an audit opinion.

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

Mr. Vivat Utamote
Certified Public Accountant
Registration No. 1822
24 June 2010

TO BE ONE TECHNOLOGY CO., LTD

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in lakhs)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	A	139.00	139.00
Loan Funds			
Unsecured Loans	B	<u>107.83</u>	<u>115.12</u>
		107.83	115.12
TOTAL		<u>246.83</u>	<u>254.12</u>
APPLICATION OF FUNDS			
Fixed Assets	C		
Gross Block		53.00	52.74
Less: Depreciation		<u>49.01</u>	<u>44.61</u>
		3.99	8.14
Current Assets, Loans and Advances			
Current Assets	D		
Inventories		1.36	1.71
Sundry Debtors		21.70	43.10
Cash and Bank Balances		6.14	5.12
Other Current Assets		<u>22.26</u>	<u>63.96</u>
		51.46	113.89
Loans and Advances	E	<u>34.64</u>	<u>8.52</u>
		86.10	122.41
Less: Current Liabilities and Provisions			
Current Liabilities	F	<u>162.69</u>	<u>159.48</u>
Net Current Assets		(76.59)	(37.07)
Miscellaneous Expenses			
Debit Balance in P&L Account		319.43	283.06
TOTAL		<u>246.83</u>	<u>254.12</u>
Significant Accounting Policies	L		
Notes on Accounts	M		

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.

As per our Report of even date

For and on behalf of the Board

For V N T Graduate Auditing Service
Certified Public Accountants

Mr Sanan Sunmanee
Managing Director

Mr.Vivat Utamote
Registration No. 1822

Place: Bangkok
Date: 24.06.2010

Place: Bangkok
Date: 24.06.2010

TO BE ONE TECHNOLOGY CO., LTD

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

(Rs. in lakhs)

Particulars	Schedule	2009-10	2008-09
INCOME			
Turnover	G	243.05	285.20
Other Income	H	0.15	0.55
Total		243.20	285.75
EXPENDITURE			
Change in inventories of Finished Goods		0.35	(0.35)
Direct Costs	I	111.01	154.52
Administrative Expenses	J	162.94	241.87
Interest & Finance Charges	K	0.50	0.69
Total		274.80	396.70
Profit /(Loss) Before Tax and Depreciation		(31.60)	(110.95)
Depreciation	C	4.77	8.70
Profit/(Loss) Before Tax		(36.37)	(119.65)
Provision for Taxes			
- Current Tax	-	-	-
- Deferred Tax	-	-	-
Profit after Tax before earlier years tax		(36.37)	(119.65)
Less: Income Tax for Earlier Years		-	-
Net Profit/(Loss) for the year		(36.37)	(119.65)
Add: Balance Brought Forward from the Previous Year		(283.06)	(163.41)
Surplus before adjustments		(319.43)	(283.06)
Less : Transferred to General Reserve		-	-
Surplus available for Appropriation		(319.43)	(283.06)
Appropriations			
Prior Period Item	-	-	-
Proposed Dividend on Equity Shares	-	-	-
Dividend Distribution Tax	-	-	-
Balance Carried to Balance Sheet		(319.43)	(283.06)
Basic/Diluted Earnings Per Share of Baht 100 each		(36.37)	(119.65)
Significant Accounting Policies	L		
Notes on Accounts	M		

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.

As per our Report of even date

For and on behalf of the Board

For V N T Graduate Auditing Service
Certified Public Accountants

Mr Sanan Sunmanee
Managing Director

Mr.Vivat Utamote
Registration No. 1822

Place: Bangkok
Date: 24.06.2010

Place: Bangkok
Date: 24.06.2010

TO BE ONE TECHNOLOGY CO., LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
1,00,000 shares of Baht 100 each	139.00	139.00
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
1,00,000 shares of Baht 100 each	139.00	139.00
TOTAL	139.00	139.00
SCHEDULE - B		
UNSECURED LOANS		
Loans from Person	19.46	19.46
Loan from Company	88.37	95.66
TOTAL	107.83	115.12
SCHEDULE - D		
CURRENT ASSETS		
I. INVENTORIES		
Inventories	1.36	1.71
II. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for period exceeding six months		
Other Debts	21.70	43.10
	21.70	43.10
III. CASH AND BANK BALANCES		
Cash on Hand	0.07	0.34
Balance with Banks		
i) Current Account	4.58	4.07
ii) Deposit Account	1.49	0.71
	6.14	5.12
IV. OTHER CURRENT ASSETS		
Advance to director	10.30	7.16
Input vat - to rebate	0.71	2.39
Previous year's withholding tax	1.64	20.48
Half yearly tax section 67 bis		0.05
Advance payment	33.56	
Other receivables	1.25	
Prepaid expenses	0.07	0.32
Accrued income	8.29	
	22.26	63.96
TOTAL	51.46	113.89
SCHEDULE - E		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
- Capital Advances		
- Others	10.35	8.52
	10.35	8.52
-		
Previous year's withholding tax	24.24	
Half yearly tax section 67 bis	0.05	
TOTAL	34.64	8.52

TO BE ONE TECHNOLOGY CO., LTD

SCHEDULE - C

STATEMENT OF FIXED ASSETS & DEPRECIATION FOR THE YEAR 2009-10										(Amount in Lakhs.)	
		Gross Block				Depreciation			Net Block		
Description of the Asset	Cost as on 01/04/2009	Additions	Deletions	Cost as on 31/03/2010	Acc. Depreciation as on 01/04/2009	for the year	Deletions	Acc. Depreciation as on 31/03/2010	As on 31/3/2010	As on 31/3/2009	
Office Equipment	50.15	0.64	0.39	50.40	42.24	4.55	0.37	46.42	3.99	7.91	
Furniture & Decorations	2.59	-	-	2.59	2.37	0.22	-	2.59	0.00	0.22	
TOTAL	52.74	0.64	0.39	53.00	44.61	4.77	0.37	49.01	3.99	8.13	

TO BE ONE TECHNOLOGY CO., LTD

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - F		
CURRENT LIABILITIES		
Sundry Creditors		
Trade Account Payables	29.44	54.59
Micro Medium and Small Scale Industries Creditors for Expenses		
	29.44	54.59
Other Current Liabilities	133.25	104.89
TOTAL	162.69	159.48
SCHEDULE - I		
TURNOVER		
- Sales Revenue	10.93	23.76
- Service Revenue	232.12	261.44
TOTAL	243.05	285.20
SCHEDULE - J		
OTHER INCOME		
Other Revenues	0.15	0.55
TOTAL	0.15	0.55
SCHEDULE - K		
DIRECT COSTS		
Purchase Goods	8.64	18.86
Wages for Programmer	20.99	15.93
Systems development	71.11	85.94
Cost service		20.66
Maintenance Service	10.27	13.13
TOTAL	111.01	154.52
SCHEDULE - L		
ADMINISTRATIVE EXPENSES		
Advertisement Expenses	1.23	0.67
Audit Fees	0.97	0.69
Electricity & Water Supply	1.49	
Entertainment Expenses	0.86	1.78
Office Supplies	0.49	1.08
Other Charges	0.07	0.06
Other Professional Fee	12.12	20.09
Personnel Cost	122.32	157.54
Postage, Telephone & Internet	0.87	0.82
Printing & Stationery	0.60	0.94
Repairs	0.02	0.91
Rent - Office	16.68	16.68
Travelling & Gasoline Expenses	1.87	5.01
Loss on Guarantee		33.74
Tender Expenses	0.24	
Web Development	0.32	
Other Expenses	2.79	1.86
TOTAL	162.94	241.87
SCHEDULE - M		
INTEREST AND FINANCIAL CHARGES		
Interest		
- Banks		
- Others	0.29	0.15
	0.29	0.15
Bank Charges	0.21	0.51
TOTAL	0.50	0.66

TO - BE - ONE TECHNOLOGY CO., LTD.
Notes to the Financial Statements
As of 31 March 2010 and 2009

1. General information

1.1 TO-BE-ONE TECHNOLOGY CO., LTD.

Registration number 0105545022553. The company is established as juristic person: type "company limited", under The Civil and Commercial Code. The company is registered at Department of Business Development, Ministry of Commerce on 14 November B.E. 2545.

1.2 Registered capital

The company has registered for the total capital of Baht 10,000,000.- (Baht ten million), divided into 100,000 ordinary shares @ Baht 100.- each, and fully paid-up.

1.3 Head office

Located at No. 1588/10, Baan Klangkrung, Bangna - Trad Rd., Bangna sub-district, Bangna district, Bangkok

1.4 Main objective

Conducting business of designing, developing, adjusting, and installing software program and computer system.

1.5 Accounting fiscal year

The company has changed its ending fiscal year from 31 December to March. The first accounting fiscal year since then should be 1 January 2010 to 31 March 2010

Changing the accounting fiscal has been approved by the Revenue Department on 7 January 2010 and by the Accounting Department of Bangkok Metropolis on 2 March 2010

2. Presentation of financial statements

The company has prepared the financial statement in accordance with Generally Accepted Accounting Principles under The Accounting Act B.E. 2543, and Accounting Principles provided by The Act of Accounting Professions B.E. 2547, and also other related laws. The company has also applied the Notification of Federation of Accounting Professions No. 21/2550 : waiving the enforcement of applying 8 accounting principles in preparing the financial statements for the non-public company limited.

1. Accounting Principle No. 7 : Cash Flows Statements.(Amended 2550)
2. Accounting Principle No. 14 : Segment Reporting
3. Accounting Principle No. 24 : Related Party Disclosures. (Amended 2550)
4. Accounting Principle No. 27 : Consolidated and Separate Financial Statements. (Amended 2550)
5. Accounting Principle No. 28 : Investments in Associated. (Amended 2550)
6. Accounting Principle No. 31 : Interests in Joint Ventures.(Amended 2550)
7. Accounting Principle No. 32 : Financial Instruments: Presentation.(Amended 2550)
8. Accounting Principle No. 36 : Impairment of Assets.(Amended 2550)

These financial statements have been prepared with historical cost basis, except otherwise disclosed by the accounting policy.

For the convenience of readers, an English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language.

3. Significant accounting policies

3.1 Revenues and expenses recognition

The company recognizes its revenues and expenses on an accrual basis.

3.2 Allowance for doubtful debt

The company recognizes its allowance for doubtful debt by the amount of uncollectible debt.

3.3 Inventories

The inventories on hand are valued at cost based on First in - First out method or net value, whichever is lower.

3.4 Equipment

Equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis over the estimated useful life as follows :

	period (years)
Office equipment	5
Furniture and fixture	5

3.5 Foreign currency transactions

Transaction during the year denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities at the end of the year denominated in foreign currencies are translated into Baht at the exchange rates announced by Bank of Thailand on that date. All foreign exchange gain or losses are recognized as revenue and expenses in the statements of income.

4 Other long - term investments

It is a lump sum amount of fixed deposit account which is used as a surety for company's work, writing computer program, to its clients

5 Reclassification

The financial statements as of 31 March 2009 have been reclassified in order to correspond to the financial statement as of 31 March 2010 as per the classification set out in the Pronouncement of Department of Business Development, Re : Determination of items in the financial statements B.E. 2552.

Certified true and correct
(Mr. Sanan Sunmanee)
Managing Director

AUDITOR'S REPORT

To,
The Members of Teledata Technology Solutions Limited

We have audited the attached consolidated Balance Sheet of TELEDATA TECHNOLOGY SOLUTIONS LIMITED ("the parent company") and its subsidiaries (collectively known as "group") as at 31st March, 2010, and also the consolidated Profit and Loss account and the consolidated Cash Flow statement for the year ended on that date annexed thereto.

1. 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 generally accepted accounting standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respect, in accordance with an identical financial reporting framework and are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

2. We did not audit the financial statements of subsidiaries of the parent company, whose financial statements reflect total assets (net) of Rs.29,272.72 Lakhs as at March 31, 2010, total revenue of Rs.23,400.69 Lakhs and profit (net of losses) after tax of Rs.1778.83 Lakhs for the year ended on that date.[Refer note no. 4 to Schedule P]

3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting standard (AS) 21, 'Consolidated financial statement' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiaries included in the consolidated financial statements.

4. Based on our audit and management certified financial statement of subsidiaries mentioned above and on the other financial components, and to the best of our information and according to the explanations given to us, subject to the comment made in paragraph 2 above, we are of the opinion that, the attached group financial statement 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 consolidated Balance Sheet, of the consolidated state of affairs of group as at 31st March, 2010; and
- ii) in the case of Consolidated Profit and Loss, of the consolidated results of operations of the group for the year ended on that date; and
- iii) in the case of consolidated Cash Flow Statements, of the consolidated cash flows of the group for the year ended on that date.

For S Ramachandran & Co.,
Chartered Accountants
FRN No.006775S

Ramachandran S
Partner
Membership No: 18355

Place: Chennai
Date: 18/11/2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st March 2010

(Rs. in lakhs)

Particulars	Schedule	As at 31st March, 2010		As at 31st March, 2009	
SOURCES OF FUNDS					
Share Holders' Funds					
Share Capital	A	9,991.70		2,916.69	
Share Application Money		79.96		79.96	
Reserves and Surplus	B	<u>17,407.77</u>	27,479.43	<u>6,332.69</u>	9,329.34
Minority Interest			(71.33)		(56.58)
Loan Funds					
Secured Loans	C	3,444.92		3,597.96	
Unsecured Loans	D	<u>55.08</u>	3,500.00	<u>50.08</u>	3,648.04
TOTAL			<u>30,908.10</u>		<u>12,920.80</u>
APPLICATION OF FUNDS					
Goodwill on Consolidation(Net)			5,032.30		1,293.73
Fixed Assets	E				
Gross Block		2,032.00		2,463.51	
Less: Depreciation		<u>1,834.53</u>		<u>2,003.64</u>	
Net Block		197.47		459.87	
Capital Work In Progress		<u>-</u>		<u>-</u>	
Net Block			197.47		459.87
Intangible assets			218.53		-
Investments	F		3,673.53		4,166.30
Deferred Tax Asset			2.80		221.71
Current Assets, Loans and Advances					
Current Assets	G				
Inventories		1.36		1.40	
Sundry Debtors		15,981.46		19,092.53	
Cash and Bank Balances		17,337.58		1,208.47	
Other Current Assets		<u>28.80</u>		<u>5.62</u>	
		33,349.20		20,308.03	
Loans and Advances	H	<u>3,396.24</u>		<u>5,762.49</u>	
		36,745.44		26,070.51	
Less: Current Liabilities and Provisions					
Current Liabilities	I	14,903.75		18,765.92	
Provisions	J	<u>58.22</u>		<u>525.40</u>	
		14,961.97		19,291.32	
Net Current Assets			21,783.47		6,779.19
Miscellaneous Expenditure					
TOTAL			<u>30,908.10</u>		<u>12,920.80</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.

As per our Report of even date

For and on behalf of the Board

For S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

-S/d-
N Sakthivel
Director

Ramachandran S
Partner
Membership Number: No.18355

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18.11.2010

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2010

(Rs. in lakhs)

Particulars	Schedule	2009- 10	2008-09
INCOME			
Sales & Service Income	K	23,113.89	31,246.77
Other Income	L	347.90	246.51
Total		23,461.79	31,493.28
EXPENDITURE			
Purchases and Outsourcing Expenses		13,563.12	22,434.18
Administrative Expenses	M	7,718.73	7,465.74
Selling and Distribution Expenses	N	40.52	221.72
Interest and Finance Charges	O	357.51	352.40
Total		21,679.88	30,474.04
Profit Before Tax and Depreciation		1,781.91	1,019.24
Depreciation		134.42	185.98
Profit Before Tax		1,647.49	833.26
Provision for Taxes			
- Current Tax	21.71		58.43
- Fringe Benefit Tax	-	21.71	0.31
Net Profit for the year before Minority Interest		1,625.78	774.52
Less: Minority Interest		(14.70)	(46.61)
Net Profit for the year after Minority interest		1,640.48	821.13
Balance B/f from Previous year	3,013.09		2,198.84
Add : Prior period item	65.33		(3.16)
		3,078.42	2,195.68
Suplus available for appropriation		4,718.90	3,016.81
Amount transferred from General Reserve		210.00	-
Less : Appropriations			
Dividend on Equity shares-Subsidiary		-	3.72
Balance carried to Balance sheet		4,928.90	3,013.09
Basic/Diluted Earnings Per Share of Rs.2 each (in Rupees)		0.99	0.56
[Refer Note No.21 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.

As per our Report of even date

For and on behalf of the Board

For S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

-S/d-
N Sakthivel
Director

Ramachandran S
Partner
Membership Number: No.18355

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18.11.2010

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010

(Rs. in lakhs)

Particulars	2009-10	2008-09
A Cash Flow From Operating Activities		
Net Profit Before Tax	1,647.48	833.25
Adjustments For:		
Depreciation	134.42	185.98
Foreign Exchange (Gain) / Loss	110.51	2.02
Bad Debts written off	286.29	252.17
Credit Balances Written Off	(230.37)	-
GDR Issue Expenses	10.30	-
Interest Paid	269.88	321.35
Interest Received	(8.15)	-
Operating Profit Before Working Capital Changes	2,220.37	1,594.77
Adjustments For:		
Decrease / (Increase) in Inventories	0.04	17.49
Decrease / (Increase) in Trade And Other Receivables	5,790.57	(4,650.98)
Adjustments on Consolidation of subsidiaries/prior period item	65.29	(3.16)
Increase / (Decrease) in Currency Translation Reserve	(675.92)	266.31
Increase / (Decrease) in Trade Payables	(2,809.05)	1,662.25
Increase / (Decrease) in Provisions	(1,804.25)	-
Cash Generated from Operations	2,787.05	(1,113.32)
Direct Tax and Fringe Benefit Tax	(21.71)	(58.49)
Net Cash From Operating Activities	2,765.34	(1,171.81)
B Cash Flow From Investing Activities		
Net (purchase)/sale of fixed assets	(127.27)	38.40
(Increase)/decrease in investment	(3,245.80)	(197.70)
Interest Received	8.15	-
Net Cash Used in Investing Activities	(3,364.92)	(159.30)
C Cash Flow From Financial Activities		
Proceeds From Issue of Share Capital	17,156.90	-
Increase / (Decrease) of Borrowings	(153.04)	2,129.44
(Increase) / Decrease in loan given.	5.00	-
GDR Issue Expenses	(10.30)	-
Interest Paid	(269.87)	(321.35)
Net Cash From / (Used in) Financial Activities	16,728.68	1,808.09
D Net Increase in Cash And Cash Equivalents	16,129.11	476.98
Cash and Cash Equivalents at Beginning of the Year	1,208.47	731.49
Cash and Cash Equivalents at End of the Year	17,337.58	1,208.47

Notes:

1. Consolidated Cash flows has been prepared on the basis of financial statements
2. Previous year figures have been regrouped, reclassified wherever applicable.

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

As per our Report of even date

For and on behalf of the Board

For S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

-S/d-
N Sakthivel
Director

Ramachandran S
Partner
Membership Number: No.18355

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18.11.2010

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
50,00,00,000 shares of Rs.2/- each	10,000.00	4,200.00
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP 49,95,85,040 shares of Rs.2/- each fully paid up (Previous Year 14,58,34,540 shares of Rs.2/- each fully paid up)	<u>9,991.70</u>	<u>2,916.69</u>
TOTAL	<u>9,991.70</u>	<u>2,916.69</u>
SCHEDULE - B		
RESERVES AND SURPLUS		
Securities Premium Account		
Opening Balance	3,222.61	3,222.61
Add Premium Received during the year	<u>10,081.89</u>	<u>-</u>
	13,304.50	3,222.61
General Reserve		
Opening Balance	2,717.59	2,717.59
Less : Transferred to P&L	<u>210.00</u>	<u>-</u>
	2,507.59	2,717.59
Foreign Currency Translation Reserve	(3,333.22)	(2,620.60)
Profit and Loss account	<u>4,928.90</u>	<u>3,013.09</u>
TOTAL	<u>17,407.77</u>	<u>6,332.69</u>
SCHEDULE - C		
SECURED LOANS		
From		
- Bank	3,444.92	3,597.96
- Others	<u>-</u>	<u>-</u>
TOTAL	<u>3,444.92</u>	<u>3,597.96</u>
SCHEDULE - D		
UNSECURED LOANS		
Loans From Body Corporates and others	50.08	50.08
From Others	<u>5.00</u>	<u>-</u>
TOTAL	<u>55.08</u>	<u>50.08</u>

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - E

FIXED ASSETS

(Rs. in lakhs)											
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.09	Additions	Deletions	Currency Translation Reserve	As at 31.3.2010	As at 01.04.09	For the period	Deletions / Adjustments	Currency Translation Reserve	As at 31.3.2010	As at 31.03.09
Computers and Accessories	1,444.14	0.53	0.67	(160.11)	1,283.89	1,310.86	79.68	0.36	(149.36)	1,240.82	133.29
Furniture and Fixtures	285.54	0.17	34.48	(27.98)	223.25	194.81	22.29	7.19	(21.84)	188.07	90.72
Vehicles	82.06	-	19.89	(8.15)	54.02	38.73	12.76	14.64	(4.51)	32.33	43.34
Office Equipments	341.31	2.89	19.85	(30.21)	294.14	228.91	13.82	4.75	(21.43)	216.55	112.40
Renovation	21.04	-	18.34	(2.41)	0.30	10.77	0.02	9.27	(1.23)	0.30	10.27
Plant and Machinery	13.63	-	13.69	0.06	-	1.49	0.65	2.15	0.01	-	12.14
Softwares	172.81	23.62	-	(20.03)	176.40	171.51	5.21	-	(20.26)	156.46	1.30
Goodwill	102.99	-	91.11	(11.88)	-	46.57	-	41.20	(5.37)	-	56.42
TOTAL	2,463.52	27.21	198.03	(260.71)	2,031.00	2,003.65	134.43	79.56	(223.99)	1,834.53	459.88
Previous Year	2,016.58	48.74	90.23	488.43	2,463.51	1,467.40	185.98	3.10	353.35	2,003.64	549.18

(Rs. in lakhs)

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2009
SCHEDULE - F		
INVESTMENTS		
Long Term quoted (At cost)		
Mutual fund	1.40	1.35
Long Term Unquoted(At Cost)	20.64	20.64
Investments in Subsidiary Companies	47.00	40.03
Transworld Solutions India Pvt Ltd (4,70,000 Shares of Rs 10 each)		
Investment in associates other than subsidiaries Soltius holdings company Ltd representing 40% shareholding equal to 40 Equity shares of \$1 each.	3,604.49	3,604.49
Other Investment	-	499.79
TOTAL	3,673.53	4,166.30
SCHEDULE - G		
CURRENT ASSETS		
I. INVENTORIES (in Subsidiaries)	1.36	1.40
II. SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Debts outstanding for period exceeding six months	11,251.98	13,071.83
Other Debts	4,729.48	6,020.70
	15,981.46	19,092.53
III. CASH AND BANK BALANCES		
Cash on Hand	3.42	45.27
Balance with Scheduled Banks		
Current Account	3.83	0.11
Balance with Non-scheduled Banks		
i) Current account	346.80	1,162.36
ii) Deposits account	16,983.53	0.73
	17,337.58	1,208.47
V. OTHER CURRENT ASSETS		
Income Accrued	28.80	5.62
	-	-
TOTAL	33,349.20	20,308.02
SCHEDULE - H		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,063.63	4,576.33
Advance Income tax and Tax Deducted at Source	298.46	22.93
Due from Related parties	2,034.15	1,154.41
Deposits with		
- Government Departments	-	0.02
- Others	-	8.80
	-	8.82
TOTAL	3,396.24	5,762.49

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31st March 2010		As at 31st March 2009	
SCHEDULE - I				
CURRENT LIABILITIES				
Sundry Creditors				
Creditors for Expenses	1,105.99		5,006.37	
Others	6,908.94	8,014.93	8,395.23	13,401.60
Short term loans from related parties	5,346.20		2,962.54	
from others	-		16.46	
		5,346.23		2,979.00
Other Current Liabilities		1,542.59		2,385.32
TOTAL		14,903.75		18,765.92
SCHEDULE - J				
PROVISIONS				
- for Income tax		55.79		510.48
- for Fringe Benefit Tax		0.14		0.47
- for Gratuity		2.29		1.99
- for Dividend		-		12.46
TOTAL		58.22		525.40
SCHEDULE - K				
SALES & SERVICE INCOME				
Software Sales & Services		23,113.89		31,246.77
TOTAL		23,113.89		31,246.77
SCHEDULE - L				
OTHER INCOME				
Exchange Fluctuation		-		3.52
Dividend Received		0.05		1.03
Interest Received		8.15		16.93
Amounts Written Back		230.37		-
Profit on Disposal of Asset		1.74		-
Miscellaneous Income		107.59		225.03
TOTAL		347.90		246.51
SCHEDULE - M				
ADMINISTRATIVE EXPENSES				
Advertisement Expenses		7.82		7.12
AGM Expenses		36.56		-
Amortisation Expenses		68.63		10.10
Assets Written Off		54.02		-
Bad Debts written off		286.29		252.17
Dues and subscription		26.41		19.21
Foreign Exchange Fluctuation Loss		110.51		-
GDR Issue Expenses		10.30		-
Insurance		44.58		87.11
Loss on Guarantee money		-		32.88
Membership fees		-		1.35
Miscellaneous expenses		51.20		112.31
Office expenses		52.44		55.83
Payment to Auditors		5.65		6.08
Personnel Cost		4,894.44		3,887.09
Postage and Telegram		16.96		22.33
Power and fuel		4.77		5.18
Printing and Stationery		2.82		5.36
Professional & Consultancy Fees		209.42		544.66
Project Expenses		-		76.38
Rates & Taxes		27.30		23.65
Recruitment Expenses		21.79		3.82
Rent		360.22		1,184.42
Repairs and Maintenance:		9.18		40.96
ROC & Filing Fee		31.73		0.39
Service Charges		926.46		594.74

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2009
Share Transfer, Depository & Listing Fee	12.42	2.85
Telephone Charges	152.63	61.98
Travelling and Conveyance	245.00	423.75
Vehicle Expenses	49.18	4.02
TOTAL	7,718.73	7,465.74
SCHEDULE - N		
SELLING AND DISTRIBUTION EXPENSES		
Advertisement Expenses	8.05	17.39
Business Promotion Expenses	7.29	2.36
Selling & Marketing expenses	25.18	201.97
TOTAL	40.52	221.72
SCHEDULE - O		
INTEREST AND FINANCE CHARGES		
Interest		
- Banks	269.52	321.20
- Others	0.36	0.15
	269.88	321.35
Bank Charges	87.63	31.05
TOTAL	357.51	352.40

SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of Preparation of Financial Statements

The consolidated financial statements of Teledata Technology Solutions Limited, 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

- 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 unrealized profits or losses which are material have been fully eliminated.
- 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 Foreign Currency Translation Reserve and same has been adjusted to Reserves.
- The cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized 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.
- 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.
- 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.
- 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.
- 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 recognized prospectively in current and future periods.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

D. Revenue Recognition

- i The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis, in accordance with the requirements of the Companies Act, 1956.
- ii For Bitech, Dubai revenue is recognized as the invoiced value of goods and services net of discounts to the customers.
- iii To be One Technologies Ltd. recognizes revenue from services by percentage of completion method.

E. Fixed Assets*

1. Parent company

- i) Fixed assets are stated at cost less depreciation. All cost relating to acquisition and installation of fixed assets are capitalized including directly attributable finance costs relating to borrowed funds and cost of bringing the asset to the 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/customization 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.

2. Subsidiary companies

- i) Fixed assets are shown at cost less accumulated depreciation.
- ii) 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.
- iii) Major renewals that increase the capacity, efficiency or life of the assets are capitalized. Other Minor renewals are charged to Profit and Loss account

F. Depreciation / Amortization

Parent Company

- i) 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 amortized over a period of three years.

Subsidiary Companies

- i. The Fixed assets are depreciated over the estimated useful life of the assets to their residual value.
- ii. Depreciation is computed on Straight Line Method (SLM) basis.
Depreciation rates for the direct subsidiaries for major asset block

Name of the Company	Method	Furniture and Fixtures.	Office Equipments.	Computer & Accessories.	Vehicles.	Software Product Development	Renovation
To Be One Technologies Ltd	SLM	20.00%	20.00%	NA	NA	NA	NA
Bitech International LLC, Dubai & its Subsidiaries	SLM	15%-20%	33.33%	20.00%	25.00%	20-33%	15-25%

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

G. Provision for Doubtful Debt.

The allowances for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables are provided. The estimated losses are based on the experience and a review of the current position of the existing accounts receivable.

H. Inventories

- i. Inventories are stated at the lower of cost and net realizable value.
- ii. Cost is calculated using the First in first out (FIFO) formula and comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- iii. An allowance is made for all deteriorated, damaged, obsolete and slow-moving supplies.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

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 / ultimate subsidiary companies over its share of the equity of the subsidiary / ultimate subsidiary companies at the dates on which the investments in the subsidiary companies are 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 recognized as 'Capital Reserve'. The Goodwill is set off against Capital Reserve and the net figure is reflected in the financials in assets, in case of excess of Goodwill and under the head 'Reserves and Surplus', in case of excess of Capital Reserve in the consolidated financial statements.

K. Foreign Currency Transactions

- i. Transactions in foreign currency are recorded at the exchange rate prevailing at the dates of the transaction. Monetary items are translated at year-end foreign exchange rates. Resultant exchange difference, arising on payment or conversion of liabilities / assets, is recognized as income or expense, in the year in which they arise.
- ii. 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.
- iii. 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. Retirement Benefits

- i. The Company's Contribution to provident fund are charged to profit and loss account.
- ii. The Liability for gratuity determine as on the balance sheet date, as per the provision of Payment of Gratuity Act, is provide for and this liability is not funded.
- iii. Bitech makes provision for end of service benefits for employees in accordance with the requirements of the labour laws of UAE. This is an unfunded defined benefits retirement plan.
- iv. Teledata Technology Solutions Inc, USA has a qualified 401(k) profit plan for the benefit of its employees. Substantially all employees are eligible to participate in the plan. Under the plan, employees can contribute and defer taxes on compensation contributed. TTS Inc, at its discretion, matches within prescribed limits, the contributions of the employees.
- v. Nemera International Pte., Ltd. & Bitech International Pte. Ltd, Singapore makes contributions to Central Provident Fund Scheme in Singapore, a defined contribution fund scheme

M. Lease

- i. 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 capitalized 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.
- ii. Payments made under operating leases are recognized in the income statement on straight line basis over the term of the lease. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

N. Preliminary / Miscellaneous Expenses

The Parent Company follows the policy of writing off the Preliminary / Miscellaneous expenses in the year of incorporation

O. 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 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. Deferred tax assets.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

consisting of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize 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 recognized 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 recognized 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 materialize 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.

S. Statutory Reserve:-

Bitech -Dubai has created by appropriating 10% of the net profit of the company as required by the prevailing laws of the land. Such reserve fund can be maintained up to the amount, which is equivalent to the 50% of the paid up capital and the same is not available for distribution, except as provided in the federal law.

T. Advances paid to employees:-

In Transworld Information System Inc. and Maars system Inc., advances paid to employees are adjusted against their salaries during the following pay periods in installments.

U. Financial instruments

Financial instruments are recognized on the balance sheet date when the company becomes a party to the contractual provisions of the instrument.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 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 management could be better viewed, when referred from 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 & preliminary expenses 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 unrealized 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 software/goods purchased is not capitalized by the purchaser.
- The Goodwill shown in the accounts are net of capital reserves. 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 the accounting standard 28 ""Impairments 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 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.

2. Particulars of Direct Subsidiaries of the Company during the period.

SI	Name of the company	Country of Incorporation	Percentage of Holding as at 31.03.2010	Percentage of Holding as at 31.03.2009
1	To Be One Technologies Co Ltd	Thailand	60%	60%
2	Bitech International LLC, & its Subsidiaries	Dubai	100%	100%

* Subsidiaries acquired as per the Scheme w.e.f 01st November, 2006.

3) Scheme of Arrangement

The company has entered into a scheme of arrangement with Teledata Informatics Ltd. for hiving off its Technology Solutions Division into Teledata Technology Solutions Limited pursuant to the Composite Scheme of Arrangement under sections 391 to 394 as approved by the Honorable High Court of Judicature of Madras vide its order dated 12th October 2007. It was made effective by the company from the said date and the accounts are accordingly redrafted and giving effect to the same. In view of the order being passed during 12th October 2007 the operations from the date of hiving off to the date of balance sheet has resulted in receivable from Teledata Informatics Ltd (TDIL) of Rs. 1,053.15 lakhs.

4. Following entities were considered for consolidation with the company:

a. List of audited financials of subsidiaries used for 31.03.2010 consolidation of the group. (Rs. in Lakhs)

SI	Name of the Subsidiary	Status of Financials	Net Assets	Revenue	Profit/(Loss)
1	Bitech International LLC & subsidiaries.	Audited	29,453.15	23,154.93	1,815.58
2	To Be One Technologies Co Ltd	Audited	(180.43)	245.76	(36.75)

In case of US & Singapore subsidiaries of Bitech International LLC, Dubai Management certified financials for the last quarter (i.e., 01.01.10 to 31.3.10) were used for preparation of consolidated financial statements for the year 2009-10.

5. GDR Issue:

The Company has issued 35,37,505 GDRs representing 35,37,50,500 underlying Equity Shares of nominal value of Rs.2.00 each (offered at Rs.4.85 each) at USD 10.45 each GDR. Each GDR represents 100 equity shares in the capital of the company. The equity shares represented by the GDRs will represent approximately 242.58% of the company outstanding share capital before issue. The Proceeds amounting to USD 3,69,66,927.25 (Rs 171,56.90 Lakhs) from the said GDRs were received on 11/03/2010 and credited to EURAM Bank (European American Investment Bank) whose registered office is at Wallnerstrasse 4, A-1010, Vienna, Austria.

6. Secured Loans:

a) Abaris Inc., (Subsidiary of Teledata Technology Solutions Inc., USA) borrowed around Rs.1,800.00 Lakhs under Term Loan from JP Morgan Chase Bank payable in 48 monthly installments of Rs.38.00 Lakhs per month including interest at the bank's prime rate, with a final payment in February, 2012. The Term Loan is collateralized secured by the assets of Abaris Inc. Balance due as at 31.3.2010 is Rs.862.00 Lakhs.

As a result of becoming in technical default of certain covenants contained in its term loan agreement, the bank may, at its opinion, give notice that the entire balance is immediately due and payable.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) In October, 2007, TTS Inc., obtained two asset-based lines of credit from J P Morgan Chase Bank in the amounts of Rs.4,500.00 Lakhs for use in the TTS Inc., operations. The lines of credit require monthly installments on interest-only payments. The lines of credit are collateralized by the accounts receivable and other assets of TTS Inc. During the year ended December 31, 2009 TTS Inc., has entered into a forbearance agreement with the bank whereby the lines of credit was reduced to Rs.2250.00 Lakhs. As of March 31, 2010 Rs.2201.00 Lakhs is outstanding under the lines of credit.

c) During the previous year the parent company has availed loan/limits from Yes Bank Limited, Chennai to the tune of Rs.450.00 Lakhs. Rs.350.00 Lakhs by way of working Capital Demand Loan repayable to meet long term working capital requirements and repayable on demand with roll over period of 12 months and Rs.100.00 Lakhs by way of Cash Credit to meet the working capital requirements and repayable on demand. The said loan/limit is collateralized by the current assets of the company.

7. Unsecured Loans:

The loans taken from Silver Harvest Investment and Trading Private Ltd of Rs.25.00 Lakhs & K Padmanabhan of Rs.5.00 Lakhs by the parent company is interest free and repayable on demand.

8. Deposits:

In Bitech International LLC deposits include AED 237,000 (approx. Rs.29.03 Lakhs) which is subject to a charge for bank guarantees issued to Ministry of Labour UAE for obtaining employee permits.

9. Details of Auditor Remuneration:

(Rs in Lakhs)

Particulars	2009-10	2008-09
Audit Fees	4.86	3.41
Certification & Consultancy Fee	0.53	2.19
Service Tax	0.26	0.48
Total	5.65	6.08

10. Contingent Liabilities:

Particulars	2009-10	2008-09
Company		
Corporate Guarantee given to Teledata Informatics Ltd	31,000.00	31,000.00
Corporate Guarantee given to Teledata Marine Solutions Ltd	20,000.00	20,000.00
Corporate Guarantee given to Baytech Inc B V I, wholly owned subsidiary of Teledata Informatics Ltd	36,112.00	40,688.00
Subsidiaries		
Amount payable on purchase of immovable property by Bitech	208.00	234.00
Total	87,320.00	91,922.00

Teledata Technology Solutions Inc., USA is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of business activities. However, in the opinion of the management, any ultimate liability arising out of any such proceedings will not have a material adverse effect on the financial condition, results of operation or cash flow.

11. Provision for Tax

Current Tax:

- The Parent company has not made any provision for tax during the year due to the availability of carry forward loss & also due to incurring of loss during the period.
- In the parent company, the current period loss and expenses has resulted in a deferred tax asset of Rs.52.02 Lakhs. This has not been accounted in view of prudence as per the accounting standard issued by The Institute of Chartered Accountants of India.

12. Net Profit under Section 349 of the Companies Act.

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.

13. Provision for Bad and Doubtful Debts

The parent company has not provided any allowance for bad and doubtful debts as the management feels that there is no necessity for the same.

14. Provision for Gratuity

The parent company provided Rs.0.37 lakhs (Provision for Gratuity as on 31.3.10 of Rs.2.28 lakhs) as Gratuity covering eligible employees based on the respective employee's salary and the tenure of the employment.

15. Sitting Fees Payable to Directors

No Sitting Fees is payable to directors for the year.

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Inventories

To be One Technologies Ltd has Inventory for merchandise amounting to Baht 97,600 (Rs.1.36 Lakhs). This has not been recognized as income for the period.

17. Long Term Investment

- Due from Subsidiaries includes Purchase consideration receivable from Bitech International LLC., a wholly owned subsidiary for Rs. 556.57 lakhs/- towards transfer of investment in Transworld Information Systems Inc., as per agreement dated 27th December, 2007. The said amount is fully realizable by the end of December, 2009, which is still due from the said subsidiary. In this regard, a supplement agreement has been entered by Teledata Technology Solutions Limited and Bitech International LLC on 24th December, 2009.
- To be One Technologies Ltd pledged the fixed deposits fully as collateral to a commercial bank as guarantee for company's work, writing computer program, to its clients
- TTS Inc has reinstated its 1st January, 2008 intangible assets account balance to give effect to the allocation of M5 Global purchase price to other identifiable intangible assets. Previously all of the M5 Global excess purchase price had been allocated exclusively to goodwill. The same was erroneously considered as Other Investment to the tune of Rs.499.79 Lakhs during previous year consolidation which has been transferred to Goodwill & Intangible assets during the current year and balance of Rs.93.26 lakhs has been written off against equity as a prior period adjustment.

18. Leases

Teledata Technology Solutions Inc (USA) leases its corporate and administrative offices under various long term, non cancelable operating lease agreements expiring at various dates through December 2013. The agreements generally require the payment of real estate taxes, insurance and repairs.

The above said lease agreements contains provisions for future rent increase, as well as rent holiday periods. In accordance with the generally accepted accounting principles TTS Inc records monthly rent expense equal to the total of the payments due over the lease terms, divide by the number of months in the lease terms. The difference between the rent expense recorded and paid is credited or charged to deferred lease costs or benefits

19. Short Term Loan to/from Related Parties

No interest is charged on Short term loan from/to related parties lying in balance as on 31.03.10 except on loan advanced by TTS Inc to the parent company Bitech, Dubai @ 3.75% per annum(US ROI)

20. The information required by Para 3 and 4 of Part II of Schedule VI to Companies Act is as under: (For parent company)

A. FOB Value of Exports

(Amount in Lakhs)

Description	2009-10	2008-09
FOB Value of Exports (Income from Services)	126.97	116.55
Total	126.97	116.55

B. Earnings in Foreign Exchange (on receipt basis)

(Amount in Lakhs)

Description	2009-10	2008-09
Income from Services	23.10	116.55
Total	23.10	116.55

C. Quantitative Details

The Company is engaged in development and maintenance of computer software and IT services. The Production and sale of software and services cannot be 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.

21. Calculation of Earnings per share:

(Amount in Rs. Lakhs)

Particulars	2009-10		2008-09	
	Basic	Diluted	Basic	Diluted
Net Profit available for equity share holders	1640.48	NA	821.13	NA
Basic / Diluted Weighted Average No. of Equity Shares (Nos.)	1652.18	NA	1458.35	NA
Basic / Diluted Earning per share of Rs.2 each in Rupees.	0.99	NA	0.56	NA

NA:-Not Applicable

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. 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, by the parent company, and the nature of relationship (including reimbursement of expenses). (As certified by the management)

Name of the Related Party	Nature of Relationship
Associate Companies :	
Teledata Informatics Ltd	Common Key Management Personnel & Associate.
Teledata Marine Solutions Limited	Common Key Management Personnel
Silver harvest investment and trading company Pvt Ltd.	Major shareholder & Associate
Teledata Informatics Limited, Dubai	Common Key Management Personnel & Associate.
Subsidiary Companies :	
Bitech International LLC, Dubai	Wholly Owned Subsidiary of the company.
To be One Technology Co., Ltd	Subsidiary holding 60%
Soltius Infotech India Pvt Ltd	Subsidiary of Bitech International LLC, Dubai
Vanguard Technologies (India) Pvt Ltd	Subsidiary of Bitech International LLC, Dubai
Transworld Solutions India Pvt Ltd	Subsidiary of Bitech International LLC, Dubai
Teledata Technology Solutions Inc	Subsidiary of Bitech International LLC, Dubai

Key Management Personnel with Nature of Relationship	
Name of the Related Party	Nature of Relationship
N Sakthivel	Director
Gp. Capt. K. Balasubramanian, IAF(Retd.)	Director
M.S.Ramakrishnan	Whole Time Director
R.Ravichandran	Director
G Jagadish	Director

Details of transactions are as follows:

Related Party: Related party transactions given below are net of inter subsidiary transactions taken place:

Particulars	2009-10	2008-09
1)Loans and Advances granted during the year :	Rs.in. Lakhs	Rs.in. Lakhs
Associate/Subsidiary Companies:		
Teledata Informatics Ltd	62.04	100.99
Teledata Marine Solutions Ltd	18.43	65.97
Transworld Solutions India Pvt Ltd	0.08	0.23
Vanguard Technologies (India) Pvt Ltd	155.00	11.62
Soltius Infotech India Pvt Ltd	211.49	7.30
Teledata Technology Solutions Inc	0.71	8.81
Total	447.75	194.92
2)Loans and Advances taken during the year :		
Associate/Subsidiary Companies:		
Teledata Informatics Ltd	123.39	93.09
Teledata Marine Solutions Ltd	39.70	21.69
Transworld Solutions India Pvt Ltd	0.00	10.75
Vanguard Technologies (India) Pvt Ltd	1.36	0.28
Silver Harvest Investment & Trading Co., Ltd	0.00	15.00
Bitech, International LLC	0.72	1.26
Soltius Infotech India Pvt Ltd	16.25	34.29
Teledata Technology Solutions Inc	0.01	8.77
Total	181.43	185.13

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	2009-10	2008-09
3)Closing Balance of Advances (Dr Balances) :	Rs.in. Lakhs	Rs.in. Lakhs
Associate/Subsidiary Companies:		
Teledata Informatics Ltd	1053.15	1114.50
Teledata Marine Solutions Ltd	23.00	44.28
Vanguard Technologies (India) Pvt Ltd	164.98	11.34
Teledata Technology Solutions Inc	0.70	0.04
Bitech, International LLC	567.19	497.92
Soltius Infotech India Pvt Ltd.,	177.87	0.00
Total	1986.89	1668.08
4)Closing Balance of Advances (Cr Balances) :		
Associate/Subsidiary Companies:		
Transworld Solutions India Pvt Ltd	21.53	21.61
Soltius Infotech India Ltd	0.00	18.92
Silver Harvest Investment & Trading Co., Ltd	25.00	25.00
Teledata Informatics Ltd, Dubai	25.09	25.09
Total	71.62	90.62
5) Revenue from Services :		
Teledata Technology Solutions Inc.,	126.97	116.55
Total	126.97	116.55
6)Major shareholder		
Silver harvest investment and trading company Pvt Ltd	55,000,000 nos	55,000,000 nos

Note :

- Advances includes expenditures incurred on behalf of the other company
- Nos= Number of shares

23. Segment Reporting.

Primary segment Information (By Geographical Segment):

(Rs. In Lakhs)

Particulars	Indian Operations	Thailand Operations	Dubai Operations	USA Operations	Singapore Operations	Total
Revenue						
External sales and Services	429.57	759.96	3977.97	17394.34	99.02	23240.86
Less: Inter-segment Sales	126.97					126.97
Other Income	100.03	5.31	182.22	55.72	4.61	347.89
Total Result	402.63	765.27	4160.19	18030.06	103.63	23461.78
Segment Result	(206.16)	18.00	2071.44	(158.73)	(20.64)	1703.91
Interest Expenses	30.61	1.66	3.28	233.95	0.38	269.88
Interest Income	2.67	4.26	-	1.21	-	8.14
Other Income	97.36	1.04	182.22	54.52	4.61	339.75
Depreciation	12.40	8.66	18.15	95.21	-	134.42
Tax Expense	1.21	16.23	-	4.27	-	21.71
Net Profit after Tax	(150.35)	(3.25)	2332.23	(436.43)	(16.41)	1625.79
Other Information						
Segment Assets	18645.75	720.90	13650.57	3752.03	93.72	36862.97
Segment Liabilities	602.86	472.47	9740.03	7505.28	85.50	18406.14
Capital Expenditure	0.17	1.94	0.96	24.14	-	27.21
Depreciation	12.40	8.66	18.15	95.21	-	134.42
Provisions	13.63	10.84	-	570.65	2.22	597.34
Non Cash Expenses- Other than Depreciation	164.95	-	-	354.50	-	519.45

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Secondary Segment Information (By Business Segment)

The Group is principally engaged in the business of development and sale of software, consulting, IT Solutions, ERP & CRM, Manpower outsourcing. (Rs. in Lakhs)

Particulars	Software Development, IT Solution and Sales	ERP & CRM , Manpower Outsourcing & Other Services.	Total
Revenue			
External sales and Services	245.61	22,995.25	23,240.86
Less: Inter-segment Sales	-	126.97	126.97
Other Income	0.15	347.75	347.90
Total Results	245.76	23,216.03	23,461.79
Segment Result	(31.79)	1,735.69	1703.90
Interest Expenses	0.29	269.59	269.88
Interest Income	0.15	8.00	8.15
Other Income	-	339.75	339.75
Depreciation	4.82	129.60	134.42
Income Tax & Deferred Tax	-	21.71	21.71
Net Profit after Tax	(36.75)	1,662.54	1625.78
Other Information			
Segment Assets	64.16	36,798.82	36,862.97
Segment Liabilities	264.58	18,141.56	18,406.14
Capital Expenditure	0.64	26.56	27.20
Depreciation	4.82	129.60	134.42
Provisions	-	2.29	2.29
Non Cash Expenses- Other than Depreciation	-	396.79	396.79

24. Goodwill and other intangible assets:

a) In connection with the acquisition of M5 Global (Subsidiary of TTS Inc) by Teledata Technology Solutions Inc., earn-out payments became due to the sellers of M5 Global in the amounts of Rs.1473.20 Lakhs(\$3,095,179) and Rs.416.99 Lakhs(\$897,902) during the years ended December 31, 2009 and December 31, 2008 respectively. Of the 2009 amount Rs.609.31 Lakhs (\$1,231,425) was paid during 2009 and balance of Rs.863.89 Lakhs (\$1,863,755) is accrued as accrued acquisition costs. The 2008 amount was paid in full during 2008. Apart from the above, difference of Rs.39.38 Lakhs (\$ 97,674) on reclassification as on 01.01.08 has been considered as goodwill. These amounts have been reported as increase to the carrying value of goodwill. Subsequently TTS Inc. has made payment of Rs.463.52 Lakhs (\$1,000,000) to the sellers of M5 Global Inc. towards the Rs.863.89 Lakhs(\$1,863,755) earn-out obligation which was accrued at December 31, 2009

b) TTS Inc., restated its January 1, 2008 intangible assets account balance to give effect to the allocation of M5 Global purchase price to other identifiable intangible assets i.e., Customer relationships – Rs.183.79 Lakhs (\$ 407,157) & Non Compete agreements – Rs.164.86 Lakhs (\$ 365,227). Previously these have been allocated exclusively to goodwill.

Covenant not-to-compete represents the portion of the purchase price associated with the 2007 acquisition of M5 Global agreed not to compete with the group for a period of 4 years. The related cost is being amortized on the straight line method over the terms of the agreement. Customer lists as are being amortized on a straight line basis over a period of eight years.

Unamortized balance of the above said intangible assets as on 31.3.10 is Rs.218.53 Lakhs (\$ 484,125).

25. In accordance with the notification no. GSR 719 (E) dt 16.11.2007, issued by the Ministry of Corporate affairs, certain disclosures are required to be made relating to Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Development Act, 2006. The company is in the process of compiling the relevant information from parties about their coverage under the said act. Since the relevant information is not readily available no disclosures have been made in the accounts. However in view of the management, and relied upon by the auditors, the impact of interest, if any that may be payable in accordance with the provisions of this act is not expected to be material

TELEDATA TECHNOLOGY SOLUTIONS LIMITED

SCHEDULE - Q

NOTES TO ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENT

26. 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 S.Ramachandran and Co.
Chartered Accountants
FRN : 006775S

Ramachandran S
Partner
Membership Number: No.18355

Place: Chennai
Date: 18.11.2010

For and on behalf of the Board

-S/d-
Gp. Capt. K.Balasubramanian, IAF(Retd.)
Chairman

R. Manthramurthy
Company Secretary

-S/d-
N Sakthivel
Director

Place: Chennai
Date: 18.11.2010

TELEDATA TECHNOLOGY SOLUTIONS LIMITED				
BALANCE SHEET ABSTRACTS AND GENERAL BUSINESS PROFILE				
i.	Registration Details			
	CIN / Registration Number		State Code	
	061389		1 8	
	Balance Sheet Date 31/3/2010			
ii.	Capital Raised During the year			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
	GDR Issue	707501.00		
iii.	Position of Mobilisation and Deployment of Funds (Amt. In Rs.000s)			
	Total Liabilities	3,090,810.54	Total Assets	3,090,810.54
	Sources of funds			
	Paid up Capital	999,170.08	Reserves and Surplus	1,748,772.91
	Secured Loans	344,491.91	Unsecured Loans	5,508.51
	Minority Interest	(7,132.87)	Share Warrants	
	Application of Funds		TOTAL	3,090,810.54
	Net Fixed Assets	19,746.59	Investments	367,353.26
	Net Current Assets	2,178,346.45	Goodwill on consolidation	503,230.51
	Deferred Tax Asset	280.31	Intangible assets	21,853.42
			TOTAL	3,090,810.54
iv.	Performance of the Company (Amt. In Rs.000s)			
	Turnover	2,311,388.96	Total Expenditure	2,183,600.45
	Profit before tax	164,748.99	Profit after tax	162,578.36
	Basic Earnings Per Share (Rs.)	(0.09)	Dividend Rate (%)	Nil
	Diluted Earnings Per Share (Rs.)	NA		
v.	General Name of Principle products			
	Item Code No. (ITC Code)	8 5 2 4 9 0 0 9 - 1 0		
	Product Description	Computer Software,I T enabled services.		

For and on behalf of the Board

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

N.Sakthivel
Director

R. Manthramurthy
Company Secretary

Place: Chennai
Date: 18/11/2010

Place: Chennai
Date: 18/11/2010

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Teledata Technology Solutions Limited

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

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 BLOCK

LETTERS): _____

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

I hereby record my presence at the 4rd Annual General Meeting of the Company, convened on _20th December 2010, at 10:30 A.M. at HOTEL KANCHI, 1st floor, No.28, Ethiraj Salai, Egmore, Chennai 600 008.

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 Technology Solutions Limited

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 Technology Solutions 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 20th December 2010, at HOTEL KANCHI, 1st floor, No.28, Ethiraj Salai, Egmore, Chennai 600 008. at 10:30 AM. 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 : _____

Affix Re. 1
Revenue

.....
Signature of Shareholder/Proxy

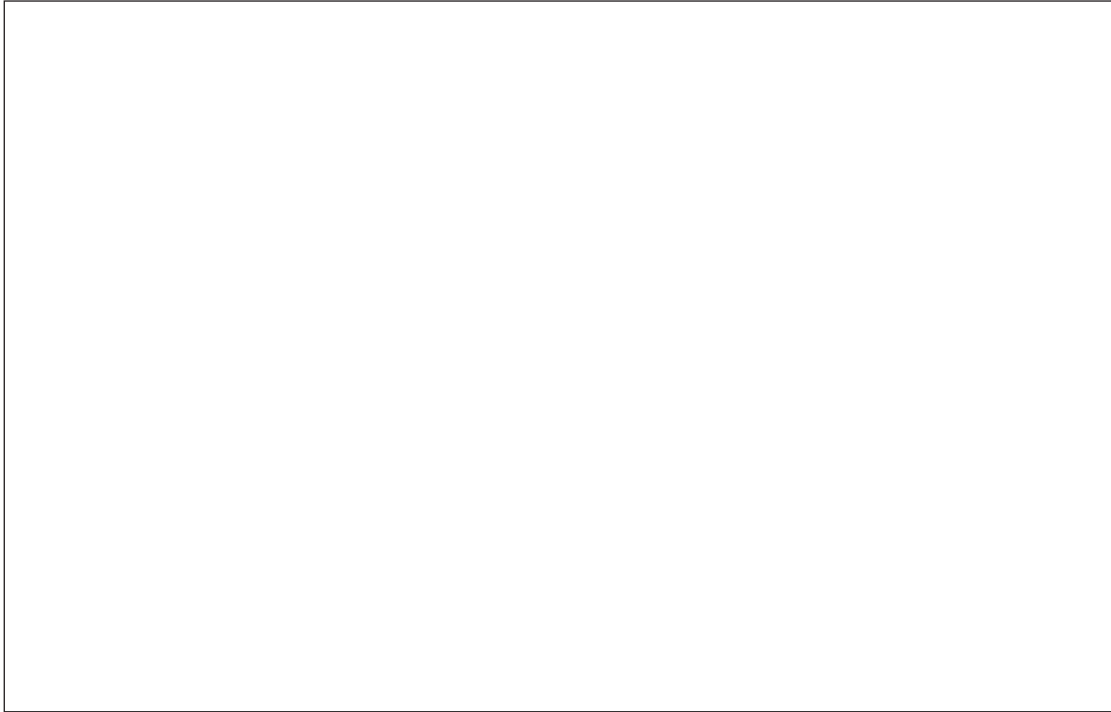
Notes: 1. The Proxy Form must be deposited at the Registered Office of the Company at **Teledata Tower 1st Floor 37/1 Velachery Tambaram Main Road Velachery Chennai 600042** atleast 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.

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 TECHNOLOGY SOLUTIONS LIMITED

"Teledata Tower",37/1,FirstFloor,
Velachery Tambaram Main Road,
Velachery, Chennai 600 042.
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