



OBJECTONE INFORMATION SYSTEMS LIMITED

BOARD OF DIRECTORS

Mr.K.Ravi Shankar	Managing Director
Mr K. Mallikarjuna Rao	Wholetime Director
Mr. M. Vijay Kumar	Director
Mr. Viswanadh Dasari	Director
Mr. B.S.N Kumar	Director
Mr. Mohan Muralidhar Venigella	Director
Mr.Sana Satish Babu	Director
Mr. I Venkat	Director
Mr. K Mohan	Director

AUDITORS

M/s. P Murali & Co.,
Chartered Accountants,
6-3-655/2/3,1st Floor,
Somajiguda,
Hyderabad - 500 082.

BANKERS

ICICI Bank Ltd.
CITI Bank N.A.
The Bank of Nova Scotia
Karur Vysya Bank Ltd
Axis Bank Ltd

REGISTERED OFFICE

8-3-988/34/7/2/1 & 2
Kamalapuri Colony,
Srinagar Colony Road
Hyderabad – 500 073
Tel Nos: 23757192, 23757193
Fax No: 23753323

SHARE TRANSFER AGENTS

M/s. Aarathi Consultants Private Limited
1-2-285, Domalguda,
HYDERABAD - 500 029

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members will be held on Thursday, the 29th day of September, 2011 at the Registered office of the Company at 8-3-988/34/7/2/1 & 2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad – 500 073 at 11.00 am to transact the following business:

Ordinary Business

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31st, 2011 and the Profit and Loss Account for the financial year ended on that date together with the schedules and notes thereon and the Directors and Auditors Report thereof.
2. To appoint a Director in the place of Mr. M. Vijay Kumar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. B.S.N. Kumar who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. Mohan Muralidhar Venigalla who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Special Business

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or reenactments thereof for the time being in force, the consent of the members, be and is hereby accorded for the re-appointment of Mr. K. Ravi Shankar, as Managing Director of the Company for a period of five years with effect from 1st April, 2011 on such remuneration as detailed below with liberty to the Board of Directors of the Company to vary, alter and modify such salary and perquisites so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modifications, or re-enactments thereof, as may be agreed to by the Board of Directors and Mr. K. Ravi Shankar:

i) Salary

Rs. 75000/- to 125000/- by Board may fix from time to time.

ii) Accommodation:

Accommodation (furnished or otherwise) or the house rent allowance in lieu thereof, and house Maintenance expenses, society charges and the like relating thereto on actual basis.

iii) Perquisites:

Perquisites together with utilities thereof such as gas, electricity, water furnishing and repairs, servant's allowance, education allowance for dependent children, entertainment and newspaper and periodicals allowance, medical re-imbursments, leave travel allowance for self and family, club fees, medical insurance and the like in accordance with the rules of the Company or as agreed by the Board of Directors.



iv) Retirement Benefits:

Company's contributions to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and Gratuity payable in accordance with the rules of the Company and the value of such benefits shall not be included in the computation of the ceiling on remuneration or perquisites aforesaid.

v) Use of Car and Telephone

Provision of the Company owned car and driver for the Company's business. The perquisite value for the car/driver will be determined as per prevailing Income Tax Rules and telephone at residence (including payments for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

vi) Leave

In accordance with the Rules and Regulations of the Company

vii) Overall Remuneration

That the total remuneration (i.e. salary, perquisites and allowances) in any one financial year shall not exceed the limits prescribed from time to time under Section 198, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 as may for the time being, be in force and any amendments thereto. In case of any doubt/ discrepancy/ clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of remuneration committee of directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. K. Ravi Shankar and accepted by the Remuneration Committee.

viii) Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, perquisites and other allowances shall be governed by the limits specified under part II of section LL (1)(A) of Schedule XIII of the Companies Act, 1956 including any statutory modifications or reenactment there of, as may, for the time being, be in force.

FURTHER RESOLVED THAT The Board of Directors be and are hereby authorized to increase, augment, and/or enhance the remuneration to be paid and provided from time to time to Mr. K. Ravi Shankar in accordance with the provisions of the Companies Act, 1956 and/or any statutory modifications or re-enactment thereof, and/or the guidelines for managerial remuneration issued by the Government of India or other applicable authority in that behalf as in force and as amended from time to time."

For and on behalf of the Board
ObjectOne Information Systems Limited

Sd/-

K Ravi Shankar
Managing Director

Place: Hyderabad
Date: 02-09-2011

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxies in order to be effective must be deposited at the company's registered office at # 8-3-988/34/7/2/1&2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad – 500 073 not less than 48 hours before the time of holding the aforesaid meeting.
3. Members/Proxies should bring the attendance slips filled in for attending the meeting.
4. The Register of Members and Share Transfer Books will remain closed from, the 27th September, 2011 to 29th September, 2011 (both days inclusive).
5. Members are requested to notify the company at the registered office of any change in addresses quoting their folio number/s.
6. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
7. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of Directors, who are proposed to be appointed/reappointed at the ensuing Annual General Meeting are given below:

1.	Name	:	M. Vijay Kumar
	Age/DOB	:	About 40 years
	Qualification	:	MBA
	Experience	:	Vast experience in Information Technology and worked big MNCs in USA
	Other Directorships	:	ObjectOne Infra Tech Ltd Curosys Technologies Pvt Limited Susthithi Counselling Pvt Limited Alogorithm Solutions Limited
2.	Name	:	B.S.N.KUMAR
	Age/DOB	:	About 46 years
	Qualification	:	B.E.
	Experience	:	Vast experience in Administration area and Business
	Other Directorships	:	NIL
3.	Name	:	MOHAN MURALIDHAR VENIGELLA
	Age/DOB	:	About 49 years
	Qualification	:	Professor in Traffic Management
	Experience	:	Vast experience in Traffic Management System and Financial Investments
	Other Directorships	:	NIL



Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6 of Notice

The Board of Directors in their meeting held on 13th May, 2011 and on the recommendation of the Remuneration Committee, have resolved to re-appoint Mr. K. Ravi Shankar as Managing Director of the Company for a period of 5 years with effect from 1st April, 2011 at a remuneration specified in the resolution as mentioned in item no.6 of notice

As per the provisions of Section 269, 198, 309, 310 read with Schedule XIII of the Companies Act, 1956 approval of the shareholders required by passing of Ordinary Resolution in the General Meeting and hence the Directors recommend the resolution for your approval.

This explanatory note together with the notice may be treated as an abstract of terms of re-appointment under Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Except Mr. K. Ravi Shankar, none of the Directors of the Company is in any way concerned or interested in this resolutions.

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02-09-2011

Sd/-
K Ravi Shankar
Managing Director

**DIRECTORS' REPORT**

Dear Members,

Your Directors take pleasure in presenting FIFTEENTH ANNUAL REPORT of your company together with the audited financial statements for the financial year 2010-11.

CONSOLIDATED FINANCIAL RESULTS**Rupees in Lakhs**

PARTICULARS	2010-11	2009-10
Gross Income	2877.59	2965.78
Expenditure	2744.02	2903.29
Gross Profit Before Depreciation	133.57	62.49
Depreciation	53.19	51.09
Profit for the year before Tax	80.38	11.40
Prior period adjustments	0	4.17
Provision for Income Tax	11.61	12.23
Provision for Deferred Tax	(61.10)	7.32
Profit after Tax	129.89	(8.15)
Profit brought forward	89.56	101.88
Minority Interest	1.63	1.67
Profit carried forward to Balance Sheet	217.82	87.89

The consolidated income of Rs. 2877.59 lakhs during the year against previous year income of Rs. 2965.78 lakhs and Net Profit of Rs. 129.89 lakhs during the year against previous year Net Loss of Rs. 8.15 lakhs.

STAND ALONE FINANCIAL RESULTS**Rupees in Lakhs**

PARTICULARS	2010-11	2009-10
Gross Income	502.36	327.28
Expenditure	438.43	325.35
Gross Profit Before Depreciation	63.93	1.93
Depreciation	52.80	50.26
Profit for the year before Tax	11.13	(48.33)
Prior period adjustments	0.00	4.17
Provision for Income Tax	2.06	0.00
Provision for Deferred Tax	(61.01)	7.40
Profit after Tax	70.08	(59.90)
Profit brought forward	(79.41)	(19.51)
Profit carried forward to Balance Sheet	(9.33)	(79.41)

Performance

The Company has earned the income of Rs. 502.36 lakhs during the year against previous year income of Rs. 327.28 lakhs and Net Profit of Rs. 70.08 lakhs during the year against previous year Net Loss of Rs. 59.90 lakhs.



BUSINESS OVERVIEW:

From streaming video to downloading music to social networking, content on the Internet and the means through which it is distributed across the Globe is evolving at a rapid pace. Your company is one among the pioneers operating in this segment from India. While many traditional media companies are reeling under the effects of new media innovations, a great number of new media companies are fast emerging. Albeit, your company has well established its brand among Netizens.

We are living in the midst of a thriving and expanding video economy – one which is driven by innovation, competition, and the emergence of alternatives to traditional broadcast and distribution models. While the pay-TV industry continues to grow on a global scale, particularly in emerging markets, a multitude of over-the-top (OTT) options and the explosion of Web-ready mobile devices and tablets are fueling consumers' expectation of instant media access from any device. Video is going mobile at an astonishing rate, and the compelling multi-screen experience has consumers exploring all varieties of options for gaining access to the content they want, anytime and anywhere.

With a rich library of Telugu movie content, animation content and in-house created content, we are geared up to take advantage of the emerging trends in video economy. This vibrant video economy offers content providers the opportunity to monetize content across a wider range of platforms and even opens the door to direct-to-consumer content delivery. As changing modes of video consumption change the way that content is produced, packaged, and distributed, a supply chain infrastructure, from production through delivery, that enables content providers and service providers alike to engage and prosper in today's video economy is being established. ObjectOne offers its content through an integrated solution which provides the performance, versatility, and reliability essential in the delivery of high-value goods and services in the multi-screen environment.

It is the biggest shift in television's history: Be at the heart of this once-in-a-generation opportunity to completely reinvent the TV - this will be the slogan of your company for next three years to consolidate ourselves in this growing horizon. Forecasts of 350 million Connected TVs - set to sell by 2015 and TV applications predicted to generate a remarkable •1.3 Billion in annual revenue by 2013, are underlined by serious spending, big product launches and strategy overhauls from major players.

ObjectOne is at the helm of affairs. However, Premium applications, multi-platform delivery, interactive advertising, branded entertainment, unbundled products and recommendation services are all lucrative opportunities where your company will focus on. We have established a center par excellence to build APPS for different platforms and devices.

SUBSIDIARIES:

As required under Section 212 of the Companies Act, 1956, the subsidiary's financial statement of accounts for the period ended 31st March, 2011 is annexed.

CORPORATE GOVERNANCE

In terms of the Listing Agreement, a Report on Corporate Governance along with the Auditor's certificate on the compliance is also annexed herewith and forms part of the Annual Report.



FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58A of the Companies act, 1956 and the rules made there under.

DIRECTORS

Mr. M. Vijay Kumar, Mr. B.S.N. Kumar and Mr. Mohan Muralidhar Venegalla Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) 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 or loss account of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s. P. MURALI & CO., Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility pursuant to Section 224 (1B) of the Companies Act, 1956 and willingness to accept office, if re-appointment at the ensuing Annual General Meeting

PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration of Rs. 24,00,000/- or more per annum or Rs.2,00,000/- or more per month during the year or for a part of the year.

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

The Disclosures required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, for the year ended March 31st, 2011 are as follows:

- A) **Conservation of Energy:** The Company is monitoring the consumption of energy and is identifying measures for saving energy wherever possible.
- B) **Technology absorption, adaptation and innovation:** No technology either indigenous or foreign is involved.



- C) Research and Development (R&D): No research and development has been carried out during the year.
- D) Foreign Exchange earnings and outgo:
Foreign Exchange earnings: Rs 30,236,614/- against IT, ITEnabled Services and other income
Foreign Exchange outgo: Rs NIL

ACKNOWLEDGEMENTS:

Your Directors place on record the appreciation for the sincere efforts and active involvement of employees at various levels of the Company in its operations. The Directors also place on record the appreciation for the support received from Banks and other Government Agencies.

The Directors express gratitude to the shareholders of the company for the confidence reposed in the management.

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02.09.2011

Sd/-
K Ravi Shankar
Managing Director

Sd/-
M. Vijaya Kumar
Director

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE****ANNEXURE TO THE DIRECTORS' REPORT****1. Company's Objective on Corporate Governance**

Your Company is committed to good Corporate Governance against the prescribed standards. As the objective of Corporate Governance is the enhancement of value and protecting the interests of shareholder, your Company aimed at assisting the management in efficient conduct of the business of the Company and in meeting its obligations to shareholders and others.

2. Board of Directors**(a) Composition and Category of Directors**

S. No.	Name of the Director	Category of Directorship	No of Board Meetings held during the year	No of Board Meetings Attended	Attendance at the last AGM	No of Directorships held in other companies
1	Mr. K Ravi Shankar	Managing Director	7	5	Yes	2
2	Mr .K Mallikarjuna Rao	WholetimeDirector	7	7	Yes	-
3	Mr. M Vijay Kumar	Non-Executive Director	7	7	Yes	4
4	Mr Vishwanadh Dasari	Non-Executive Director	7	5	-	-
5	Mr. B.S.N Kumar	Independent Director	7	5	No	
6	Mr. Mohan Muralidhar Venigella	Independent Director	7	4	No	
7	Mr. Sana Satish Babu	Independent Director	7	5	Nil	1
8	Mr. I Venkat	Independent Director	7	4	Yes	3
9	Mr. K Mohan	Independent Director	7	4	Yes	1

Meetings of the Board of Directors

During the financial year 2010-2011, the Board of Directors met 7 times on the following dates: 24th April, 2010, 30th April,2010, 25th June, 2010, 30th July,2010, 2nd Sep,2010, 30th October,2010, 29th January,2011.

3. Audit Committee**a) Brief description of terms of reference**

The terms of reference of the Audit Committee are comprehensive and cover the matters specified for Audit. The Audit Committee consists of independent Directors and provides assistance to the Board of Directors in fulfilling its oversight responsibilities.

The functions of Audit Committee include:

Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.



- * Reviewing the quarterly and annual financial statements before submission to the Board.
- * Reviewing the adequacy of internal control and compliance thereof.
- * Committees under the Listing Agreement with Stock Exchanges.

(b) Composition, Names of members and Chairperson

Presently the composition of Audit Committee is as follows:

1. Mr. I. Venkat – Non-Executive & Independent Director
2. Mr. Sana Satish Babu – Non-Executive & Independent Director
3. Mr. M Vijay Kumar – Non-Executive Director

The Heads of Finance & Accounts and representatives of Statutory Auditors are the permanent invites to the audit committee

(c) Meetings and attendance during the year

During the financial year 2010-2011, the Audit Committee met four times on the following dates 30th April, 2010, 30th July, 2010, 30th October, 2010 & 29th January, 2011

Name of the Director	Position held in the Committee	No of meetings attended
Mr. M Vijay Kumar	Chairman	4
Mr Sana Satish Babu	Member	4
Mr. I Venkat	Member	4

4. Remuneration Committee

The remuneration Committee consists of the following three directors i.e., Mr Sana Satish Babu, Mr. Viswanath Dasari and Mr K. Mohan. The remuneration committee decides reviews and approves the remuneration package for the Directors, which includes salary, benefits, bonuses, pensions and employee stock options.

i) Meetings and attendance during the year

During the financial year 2010-2011, the Committee met four times on the following dates 30th April, 2010, 30th July, 2010, 30th October, 2010 & 29th January, 2011.

Name of the Director	position held in the Committee	No of meetings attended
Mr Sana Satish Babu	Chairman	4
Mr. Viswanath Dasari	Member	3
Mr. K Mohan	Member	4

Remuneration of Directors**(a) Remuneration to Non-Executive Directors**

Presently, the non-executive Directors do not receive any remuneration and sitting fee from the Company for attending the meetings of the Board.



(b) Details of remuneration paid to Directors Amount in Rupees

Name of Directors	Relationship With other Directors	Loans & Advances From Company	Remuneration paid	Commission Paid	Total
Mr. K Ravishankar Managing Director	None	Nil	900000/-	Nil	900000/-
Mr. K. Mallikarjuna Rao, Whole Time Director	None	Nil	720000/-	Nil	720000/-
Mr. M Vijay Kumar Director	None	Nil	Nil	Nil	Nil
Mr Viswanath Dasari	None	Nil	Nil	Nil	Nil
Mr. B.S.N Kumar	None	Nil	Nil	Nil	Nil
Mr. Mohan Muralidhar Venigella	None	Nil	Nil	Nil	Nil
Mr.Sana Satish Babu	None	Nil	Nil	Nil	Nil
Mr. I Venkat	None	Nil	Nil	Nil	Nil
Mr. K Mohan	None	Nil	Nil	Nil	Nil

5. Shareholders/Investors Grievances Committee

The Investors' Grievance Committee focuses on shareholders' grievances and strengthening of investor relations. The functions of the committee includes the matters relating to transfers/transmissions of shares, dividend and dematerialization of shares, replacement of lost/stolen/mutilated share certificates and other related issues. There are no complaints pending as on the date of this report.

The following directors of the Company are the members of the Committee:

1. Mr K Ravi Shankar, Managing Director
2. Mr K. Mallikarjuna Rao, Whole Time Director
3. Mr M Vijay Kumar, Director

a) Name of the Non-executive Director heading the Committee

The Committee functions under the Chairmanship of Mr M Vijay Kumar, a non-executive director.

Name and Designation of the Compliance Officer:

Mr K Ravi Shankar
Managing Director
8-3-988/34/7/2/1 &2,
Kamalapuri Colony,
Srinagar Colony Road
Hyderabad – 500 073



6. Code of Conduct

The board has approved a code of conduct for board members and senior management personnel of the company. The code of conduct has been posted on the website of the company. All directors and senior management personnel have affirmed compliance with the code of conduct and submitted declarations in this behalf for the year ended 31st March 2011. A declaration signed by the management director to this effect is enclosed.

7. General Body Meetings

- a) Details of the location and time of the last three Annual General Meetings (AGMs) of the Company.

The details in respect of the last three Annual General Meetings of the Company are as follows:

Date (Year)	Venue of the meeting	Time of meeting
29 th September, 2010 (F.Y 2009-10)	H.No. 8-3-988/34/7/2/1&2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad – 500073	11.00 A.M.
29 th September, 2009 (F.Y 2008-09)	H.No. 8-3-988/34/7/2/1&2 , Kamalapuri Colony, Srinagar Colony Road, Hyderabad – 500073	11.00 A.M.
29 th September, 2008 (F.Y. 2007-08)	H.No. 8-3-988/34/7/2/1&2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad – 500073	11.00 A.M.

- b) Information on Directors seeking appointment/re-appointment as required under Clause 49 VI(A) of the Listing Agreement with Stock Exchanges.

This information is provided in the Notes appended to the Explanatory Statement under the heading “Additional information on Directors recommended for appointment/seeking re-election at the ensuing Annual General Meeting.”

- c) Whether special resolutions were put through Postal Ballot last year, details of voting pattern, person who conducted the Postal Ballot exercise, proposed to be conducted through Postal Ballot and procedure for Postal Ballot.

None of the resolutions had been proposed to be passed through Postal Ballot.

8. Disclosure

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests, of the Company at large.

During the financial year 2010-11 the Company has not entered into any such contracts as specified above.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all legal matters as required as such no penalty or stricture has been imposed by any authority.

**9. Means of Communication**

- a) The Quarterly un-audited/audited financial results of the company were generally published in two news papers as per the norms i.e., English and a vernacular newspaper.
- b) The Management and Analysis Report Forms part of the Directors Report.
- c) Further all material information which will have bearing on the operations of the company is sent to all Stock Exchanges concerned.

10. General Share Holders Information

- a) As indicated in the Notice to our Shareholders, the Annual General Meeting of the Company will be held on 29th September, 2011 at registered office at 11.00 A.M.
- b) The financial year of the Company is from 1st April to 31st March
- c) Date of book closure : from 27th September, 2011 to 29th September, 2011 (both days inclusive) for the purpose of the Annual General Meeting.
- d) The shares of the company are listed on: The Stock Exchange, Ahmedabad (Non Regional Stock Exchange) The listing fees to all stock exchanges for all the years are paid in time.
- e) Stock Code
Stock Code – ASE- SURCABLES
- f) Shares of the company are not traded during the year in the Stock Exchange, Ahmedabad, therefore the monthly high & Low stock quotation have not been furnished for the same.
- g) Registrars and Share Transfer Agents
M/s Aarti Consultants Pvt Ltd
1-2-285, Domalguda, Hyderabad – 500 029
- h) Share Transfer System
The shareholders are advised to contact the Registrar and Share Transfer Agents at

Share Holding Nominal Value Rupees		Share Holders Nos		Share Amount Rs	
			%		%
Upto	5000	89	28	157990	0.15
5001	10000	51	16	493000	0.47
10001	20000	39	12	668000	0.64
20001	30000	39	12	1020000	0.97
30001	40000	5	2	200000	0.19
40001	50000	14	4	695000	0.66
50001	100000	17	5	1569000	1.49
100001	And above	69	21	100316010	95.43
TOTAL		323	100	105119000	100



their address for effecting transfer of shares both in physical and electronic form.

(l) Distribution of Shareholding as on 31st March, 2011

According to categories of Shareholders as at 31st March, 2011

CATEGORY	No of shares Held	%Age of Shareholding
A. Promoter's Holding		
1. Promoters'-		
- Indian promoters-	10600	0.1
- Foreign Promoters	- Nil -	- Nil -
2. Persons acting in Concern	- Nil -	- Nil -
Sub – Total	10600	0.1
B. Non-Promoters Holding	- Nil -	- Nil -
3. Institutional Investors	- Nil -	- Nil -
a. Mutual Funds and UTI	- Nil -	- Nil -
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/Non-government Institutions)	- Nil -	- Nil -
C. FIIS	- Nil -	- Nil -
Sub – Total	- Nil -	- Nil -
4. OTHERS		
a. Private Corporate Bodies	1892080	18
b. Indian Public:		
Holding upto of Rs.1 lakh	469699	4.47
Holding in excess of Rs.1 lakh	8139521	77.43
c. NRIs/OCBs	- Nil -	-Nil-
d. Any other (Please specify)	- Nil -	- Nil -
Sub – Total	10501300	99.99
GRAND TOTAL	10511900	100.00

(j) Dematerialization of Shares

The shares are traded in dematerialized form with effect from 5th January, 2002. Our Company had entered into agreements with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) to establish electronic connectivity and facilitate scripless trading. The International Securities Identification Number (ISIN) allotted to the Company's scrip is INE 860E01011.

(k) Business Location

Since the company does not own any permanent office premises it is doing business in Leased premises and if any changes in the office premises it is being intimated to Stock Exchanges and also through public announcement.



(I) Address for correspondence

OBJECTONE INFORMATION SYSTEMS LIMITED

8-3-988/34/7/2/1 &2,
Kamalapuri Colony, Srinagar Colony Road
Hyderabad – 500 073

Tel No's: 23757192, 23757193, Fax No: 23753323

Disclosure under clause 38 of the Listing Agreement

The Equity Shares of the Company are listed in the following Stock Exchanges and the listing fees for the year 2010-11 has been paid by the Company.

Non-Regional
The Ahmedabad Stock Exchange Ltd., Kamadhenu Complex, Panjarapole, Ahmedabad – 380 015.

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02.09.2011

Sd/-
K Ravi Shankar
Managing Director

Sd/-
M. Vijaya Kumar
Director

DECLARATION

I, K.Ravi Shankar, Managing Director hereby declare that as per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members & senior management personnel have confirmed compliance with the Code of Conduct & Ethics for the year ended 31st March, 2011.

For and on behalf of the Board
ObjectOne Information Systems Limited

Place : Hyderabad
Date : 02.09.2011

Sd/-
K Ravi Shankar
Managing Director



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
ObjectOne Information Systems Ltd
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate government of M/s.ObjectOne Information Systems Limited (“the company”) for the year ended 31st March, 2011 as stipulated in clause 49 of the listing agreement of the said company with Stock Exchanges.

The compliance of the conditions of the corporate governance in the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accounts of India was limited to procedures and implementation there of adopted by the company for ensuring compliance with the condition of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

We further state that such compliance is either an assurances as to the future viability of the company nor the efficiency or effectiveness with which the managements has conducted the affairs of the company.

For P MURALI & CO
CHARTERED ACCOUNTANTS
FRN No: 007257S

Sd/-
P. Murali Mohan Rao
Partner
M.No : 23412

Place: Hyderabad
Date : 02.09.2011

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

A. Name of the Subsidiary Company	Inmate Consultants Private Limited
B. Financial year of the subsidiary company	March 31, 2011
C. The Company's interest in the subsidiary on the aforesaid date a. Number of shares held b. Face value per share c. Extent of holding	21,000 Equity Shares Rs. 10/- 70%
D. The net aggregate of the Profits / (Losses) of the Subsidiary so far it concerns the Members of the companya. a. Not dealt with in the accounts of the company amounted to : 1. For the Subsidiary's financial year ended as in B. above 2. For the previous financial years of the subsidiary since it became the company's subsidiary. b. Dealt with in the accounts of the Company amounted to : 1. For the Subsidiary's financial year ended as in B. above 2. For the previous financial years of the subsidiary since it became the company's subsidiary.	Rs.1,63,210/- Loss: Rs.3,442/- Rs.1,66,652/- Rs 3,80,856/- Loss Rs.8,032/- Rs.3,88,888/-

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02.09.2011

Sd/-
K Ravi Shankar
Managing Director

Sd/-
M. Vijaya Kumar
Director

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

A. Name of the Subsidiary Company	Object Net Technologies Inc
B. Financial year of the subsidiary company	March 31, 2011
C. The Company's interest in the subsidiary on the aforesaid date. a Number of shares held b. Face value per sharec. c Extent of holding	1,000 Equity Shares Rs. 4000/- 100%
D The net aggregate of the Profits / (Losses) of the Subsidiary so far it concerns the Members of the company a. Not dealt with in the accounts of the company amounted to : 1 For the Subsidiary's financial year ended as in B. above 2 for the previous financial years of the subsidiary since it became the company's subsidiary b Dealt with in the accounts of the Company amounted to : 1 For the Subsidiary's financial year ended as in B. above 2. for the previous financial years of the subsidiary since it became the company's subsidiary.	NA NA NA Rs. 59,92,193/- Rs. 163,41,984/-

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02.09.2011

Sd/-
K Ravi Shankar
Managing Director

Sd/-
M. Vijaya Kumar
Director



AUDITORS' REPORT

To

The Members,

OBJECTONE INFORMATION SYSTEMS LIMITED

We have audited the attached Balance Sheet of OBJECTONE INFORMATION SYSTEMS LIMITED as at 31st March , 2011 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion .

As required by the Companies (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
- (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account
- (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956
- (v) On the basis of written representations received from the Directors, as on 31st March ,2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March ,2011 from being appointed Director in terms of clause(g) of sub-section(l) of section 274 of the Companies Act, 1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011

(b) In the case of the Profit & Loss Account, of the Profit .for the period ended on that date

And

- (c) In the case of the Cash Flow, of the cash flows for the period ended on that date

For P Murali & Co.,
Chartered Accountants
Sd/-

P. Murali Mohan Rao
Partner

Place: Hyderabad
Date : 02.09.2011



ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us , the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
(c) The Company has not disposed off substantial part of the Fixed Assets during the year,
- II. (a) The Inventory has been physically verified during the year and in our opinion , the frequency of verification is reasonable.
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
(b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties , is not applicable to the company.
(d) No loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956 , hence overdue amount of more than rupees one lac does not arise and the clause is not applicable.
(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act. 1956.
(f) As the Company has not taken any loans ,the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties , is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for



sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.

- (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
 - (b) According to the information and explanations given to us, as no such contracts or arrangements made by the Company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A,58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(I) of section 209 of the Companies Act, ,1956.
- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF,ES1,Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and its accumulated losses at the end of the financial year is less than fifty percent of its net worth and the company has not incurred cash losses.
- XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi /Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or



trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. The company is not applied for any term loan
- XVII According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P Murali & Co.,
Chartered Accountants
FRN:007257S

Sd/-
P. Murali Mohan Rao
Partner
M.No. 23412

Place: Hyderabad
Date : 02.09.2011

**OBJECTONE INFORMATION SYSTEMS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
I SOURCES OF FUNDS:			
1. Shareholders' Funds			
a. Share Capital	1	105,119,000	128,212,000
b. Capital Reserve	2	23,814,000	721,000
2. Loan Funds			
a. Secured Loan		854,418	1,464,881
b. Un-secured loans		4,210,796	-
3. Deferred Tax Liability		-	2,385,644
TOTAL		<u>133,998,214</u>	<u>132,783,525</u>
II APPLICATION OF FUNDS:			
1. FIXED ASSETS			
a. Gross Block	3	139,992,532	137,831,524
b. Less Depreciation		49,940,663	44,660,817
c. Net Block		<u>90,051,869</u>	<u>93,170,707</u>
2. INVESTMENTS	4	<u>11,305,347</u>	<u>11,305,347</u>
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventory		769,884	769,884
b) Sundry Debtors	5	20,094,264	12,768,278
c) Cash and Bank Balances	6	888,318	446,864
d) Loans and Advances	7	15,195,338	15,048,201
		<u>36,947,804</u>	<u>29,033,227</u>
Less: Current Liabilities and Provisions	8	8,955,670	8,667,295
NET CURRENT ASSETS		<u>27,992,134</u>	<u>20,365,932</u>
4. PROFIT & LOSS ACCOUNT	9	933,337	7,941,539
5. DIFFERED TAX ASSET		3,715,527	-
TOTAL		<u>133,998,214</u>	<u>132,783,525</u>
NOTES TO ACCOUNTS	11	-	-

AS PER OUR REPORT EVEN DATE
For P MURALI & CO
CHARTERED ACCOUNTANTS
FRN No: 007257S

Sd/-
P. MURALI MOHANA RAO
PARTNER
M.No: 23412

PLACE : HYDERABAD
DATE : 02-09-2011

For an on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
K. RAVISHANKAR
MANAGING DIRECTOR

Sd/-
M.VIJAY KUMAR
DIRECTOR

**OBJECTONE INFORMATION SYSTEMS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	YEAR ENDED 31-03-2011 (Rupees)	YEAR ENDED 31-03-2010 (Rupees)
I INCOME			
Export Income		41,629,210	28,034,520
Domestic Income		8,469,832	3,172,038
Other Income		137,128	1,018,113
Increasing/(Decreasing) in Closing Stock		-	503,425
TOTAL		<u>50,236,170</u>	<u>32,728,096</u>
II EXPENDITURE			
Salaries & Benefits		17,294,620	13,306,756
Operational & Administrative Expenses	10	26,378,871	18,737,319
Interest & Financial Charges		169,365	241,748
Depreciation	3	5,279,846	5,025,676
Misc. Expenditure W/o.		-	249,822
TOTAL		<u>49,122,702</u>	<u>37,561,321</u>
Profit / (Loss) Before Tax		1,113,468	(4,833,225)
Provision for taxation		206,437	-
Deferred tax Asset/provision		(6,101,171)	739,811
Profit/ Loss After Tax		7,008,202	(5,573,036)
Balance Brought Forward		(7,941,539)	(1,951,078)
Prior Period Adjustments		-	417,425
Balance Carried Forward		(933,337)	(7,941,539)
Earning per share		0.67	(0.57)
NOTES TO ACCOUNTS	11		

AS PER OUR REPORT EVEN DATE
For P MURALI & CO
CHARTERED ACCOUNTANTS
FRN No: 007257S

Sd/-
P. MURALI MOHANA RAO
PARTNER
M.No: 23412

PLACE : HYDERABAD
DATE : 02-09-2011

For an on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
K. RAVISHANKAR
MANAGING DIRECTOR

Sd/-
M.VIJAY KUMAR
DIRECTOR

**OBJECTONE INFORMATION SYSTEMS LIMITED**
Schedules forming part of the Balance sheet

PARTICULARS	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
14000000 Equity Shares of Rs.10/- each	<u>140,000,000</u>	<u>140,000,000</u>
ISSUED, SUBSCRIBED & PAID UP:		
10511900 Equity shares of Rs.10/- each fully paid	105,119,000	105,119,000
Share Warrantants Money	-	23,093,000
	<u>105,119,000</u>	<u>128,212,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve		
Forfeiture amount on cancellation of convertible warrants	23,814,000	721,000
	<u>23,814,000</u>	<u>721,000</u>
SCHEDULE 4		
INVESTMENTS		
INMATE CONSULTANTS PVT LTD	600,000	600,000
OBJECT NET TECHNOLOGIES INC	10,705,347	10,705,347
	<u>11,305,347</u>	<u>11,305,347</u>
SCHEDULE 5		
SUNDRY DEBTORS		
(Unsecured & considered good)		
a. Debt over a period of six months	119,208	4,189,300
b. Other (Less than six months)	19,975,056	8,578,978
	<u>20,094,264</u>	<u>12,768,278</u>
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on Hand	38,242	28,625
Cash at Scheduled Bank	165,565	14,235
Cash at Other Banks	684,511	404,004
	<u>888,318</u>	<u>446,864</u>



ObjectOne Information Systems Limited
Schedules forming part of the Balance Sheet

SCHEDULE-3 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	ASAT 01-04-2010	Additions during the year	ASAT 31-03-2011	UPTO 01-04-2010	For the year	UP TO 31-03-2011	ASAT 31-03-2011	ASAT 31-03-2010
LEASED BUILDING	7,461,383	-	7,461,383	1,564,059	472,306	2,036,365	5,425,018	5,897,324
RIGHTS	54,860,700	-	54,860,700	-	-	-	54,860,700	54,860,700
RIGHTS	28,641,425	295,000	28,936,425	10,865,165	2,865,755	13,730,920	15,205,505	17,776,260
HARDWARE & SOFTWARE	26,445,396	1,804,308	28,249,704	25,066,371	437,573	25,503,944	2,745,760	1,379,025
FURNITURE & FITTINGS	5,840,763	45,000	5,885,763	2,450,775	371,653	2,822,428	3,063,335	3,389,988
OFFICE EQUIPMENTS	8,213,336	16,700	8,230,036	3,975,298	520,480	4,495,778	3,734,258	4,238,038
ELECTRICAL EQUIPMENTS	125,000	-	125,000	56,410	5,938	62,348	62,651	68,590
VEHICLES	3,642,279	-	3,642,279	410,500	346,017	756,517	2,885,762	3,231,779
KIDS ONE CONTENT CAPI.	2,601,242	-	2,601,242	272,239	260,124	532,363	2,068,879	2,329,003
Total	137,831,524	2,161,008	139,992,532	44,660,817	5,279,846	49,940,663	90,051,869	93,170,707

**OBJECTONE INFORMATION SYSTEMS LIMITED****Schedules forming part of the Balance sheet**

PARTICULARS	AS AT 31-03-2011 (Rs)	AS AT 31-03-2010 (Rs)
SCHEDULE 7		
LOANS & ADVANCES		
Deposits	142,583	167,583
Other Advances	15,052,755	14,880,618
	<u>15,195,338</u>	<u>15,048,201</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	398,879	860,427
Creditors for Expenses	5,285,492	5,043,835
Outstanding Expenses & Provision	3,271,299	2,763,033
	<u>8,955,670</u>	<u>8,667,295</u>
SCHEDULE 9		
PROFIT & LOSS ACCOUNT		
Opening Balance - Loss	7,941,539	1,951,077
(Profit) Loss for the year	(7,008,202)	5,990,462
	<u>933,337</u>	<u>7,941,539</u>
SCHEDULE 10		
OPERATING AND ADMINISTRATION EXPENSES		
PARTICULARS	FOR THE YEAR ENDED 31-03-2011 (Rs)	FOR THE YEAR ENDED 31-03-2010 (Rs)
Electricity Charges	989,423	809,427
Postage & Telephone Expenses	700,545	500,377
Consultancy Charges	994,245	297,218
Business Promotion Expenses	101,074	58,581
Rent, Rates & Taxes	1,347,446	1,253,110
Traveling & Conveyance	322,446	149,005
Printing & Stationary	110,392	67,502
Server Hosting charges	7,715,179	4,307,500
Repairs & Maintenance	1,739,322	1,405,683
Directors Remuneration	1,620,000	1,390,500
Auditor Remuneration	55,150	55,150
eCommerce Expenses	4,400,971	3,441,950
Other Miscellaneous Expenses	2,251,013	3,370,219
Channel Expenses	4,031,665	777,541
KidsOne cost of CDS	-	232,204
Loss on Sale of Cars	-	621,352
	<u>26,378,871</u>	<u>18,737,319</u>

**SCHEDULE – 11****Accounting Policies and Notes on Accounts****I. SIGNIFICANT ACCOUNTING POLICIES****a) Preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India and the provisions of Companies Act, 1956.

b) Method of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Fixed Assets

Fixed Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition / construction / installation.

d) Investments

Investments are classified into current and long-term investments. Current Investments are carried at lower of cost or fair market value. Any diminution in their value is recognized in the profit and loss account. Long-term investments, including investment in subsidiaries, are carried at cost. Diminution of temporary nature in the value of such long-term investments is not provided for except when such diminution is determined to be of a permanent nature.

e) Inventories

Inventories are valued at cost or net realizable value, whichever is less. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to its their location. Finished goods at the factory are valued at cost in all applicable cases.

h) Revenue Recognition

Income is recognized when the goods are dispatched in accordance with terms of sale.

i) Retirement Benefits

Company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are treated as a period cost and are expensed in the year of occurrence.

k) Depreciation

Depreciation is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added, sold or discarded is provided for on pro-rata basis.

**o) Income and Deferred Tax**

The provision made for income tax in the accounts comprises both the current and deferred tax. Current tax is provided for on the taxable income for the year. The deferred tax assets and liabilities for the year arising on account of timing differences (net) are recognized in the Profit and Loss account and the cumulative effect thereof is reflected in the Balance Sheet.

p) Contingent Liabilities and Contingent Assets

Liabilities, which are contingent in nature, are not recognized in the books of account but are disclosed separately in the Notes. Contingent Assets are neither recognized nor disclosed in the books of account.

II. NOTES ON ACCOUNTS**1. Secured Loans**

This loan is related to Purchase of a Car Loan took from HDFC.

2. Unsecured Loan

During the financial year, Company is received an amount of Rs. 42,10,796/- from M/s. Swapriya Raj Holding Private Limited towards Un-secured loan.

3. Confirmation of Balances with Sundry Debtors and Sundry Creditors

Company has taken necessary steps to get the confirmation of balances from the parties.

4. There are no dues to SSI Units outstanding for the more than 30 days.

5. The company has not made any provision for Gratuity to its Employees. Gratuity payable will be accounted as and when payments are made and such the liability has not been ascertained.

6. Earnings Per Share (EPS) (AS – 20)

Calculation of EPS	Rupees 2010-11	Rupees 2009-10
Profit after tax during the year (Rs.)	70,08,202	(55,73,036)
Earnings available to Equity Shareholders for Basic & Diluted EPS (Rs.)	70,08,202	(55,73,036)
Weighted Average Number of Shares taken for computation of EPS	105,11,900	105,11,900
Earning per Share		
- Basic	0.67	(0.57)
- Diluted	0.67	(0.57)
Face Value of the Share	10	10

**7. Deferred Tax Assets & Liabilities (AS – 22)**

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounting to the Rs. 61,01,171/- towards deferred Income Tax Asset. (Previous year Rs.7,39,811/- towards Deferred Tax Liability)

8. Remuneration:	Year ended 31.03.2011	Year ended 31.03.2010
Directors Remuneration		
Salary	16,20,000/-	13,90,500/-
9. Auditors Remuneration		
Audit Fee	55,150/-	55,150/-

10. Detailed information regarding quantitative particulars under part II of schedule VI to the Companies Act,1956 :

As it is a service industry. Hence it's not applicable

11. Outstanding GDRs/ADRs/Warrants or any other Convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs, but has issued 2402000 Convertible Warrants of Rs.10/- each (partly paid) at premium of Rs.3.35 per warrant amount in to Rs. 3,20,66,700/- which includes Rs.8046700/- premium to M/s. Swapriyaraj Holdings Private Limited to be convertible into equity shares. Company received an amount of Rs. 72, 06, 000/- during the Financial Year 2007-08 & Rs. 1, 66, 08,000/- during the Financial Year 2008-09. Due to non receipt of the entire amount within due date the receipted amount has been forfeited and transferred to Capital Reserve account.

12. Figures have been rounded off to the nearest rupee.

13. Previous year's figures have been regrouped / rearranged wherever necessary.

AS PER OUR REPORT EVEN DATE
For P MURALI & CO
CHARTERED ACCOUNTANTS
FRN No: 007257S

Sd/-
P. MURALI MOHANA RAO
PARTNER
M.No: 23412

For an on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
K. RAVISHANKAR
MANAGING DIRECTOR

Sd/-
M.VIJAY KUMAR
DIRECTOR

PLACE : HYDERABAD
DATE : 02-09-2011



ADDITIONAL INFORMATION AS REEQUIRED UNDER IV OF SCHEDULE VI TO THE
THE COMPANIES ACT 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSENESS PROFILE

I	Registration details			
	Registration No.	23119	State Code:	1
	Balance Sheet Date	31st March 2011		
II	Capital Raised During the Year (Amount in Rs. Thousand)			
	Public Issue(Call Money)	NIL	Rights Issue	NILL
	Bonus Issue	NIL	Preferential Offer	NIL
III	Position and Mobilisation and deployment of funds(Amount in Rs Thounds)			
	Total Liabilities	133,998	Total Assets	133,998
	Sources of Funds			
	Paid up Capital	105,119	Reserves & Surplus	23,814
	Share Application Money	-	Unsecured Loans	4,211
	Seccured Loans	854		
	Application of Funds			
	Net Fixed Assets	90,052	Investments	11,305
	Net Current Assets	27,992	Profit & Loss Account	933
	Accumulated Lossess	NIL	Differed Tax Asset	3716
IV	Performance of the Company (Amount in Rs. Thousands).			
	Turnover/other income	50,236	Expenditure	49,124
	Profit/loss before tax	1,113	Profit/loss after tax	7,008
	Earning per Share	0.67	Dividend Rate %	NIL
V	General names of three principle Products/services of the Company (As per Monetary Terms)			
	Item Code No. (ITC Code)		Training, Software Development & Media	
	Product Description		Training, Software Development & Media	

For and on behalf of the Board
Objectone Information Systems Limited

Sd/-

K. RAVISHANKAR
Managing Director

Place: Hyderabad
Date : 02-09-2011



OBJECTONE INFORMATION SYSTEMS LIMITED
CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2011

PARTICULARS	(Rs in Lakhs)	
	2010-11	2009-10
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	11.13	-48.33
ADJUSTMENTS FOR		
Depreciation	52.80	50.26
Loss on Sale of Fixed Assets	0.00	6.21
Preliminary & Issue Exp Written Off	0.00	2.50
Interest Expenses	1.69	2.42
Operating Profit before Working Capital Changes	65.63	13.06
ADJUSTMENTS FOR		
Trade & Other Receivable	-74.73	9.49
Trade Payables & Others	36.82	14.58
Cash Generated From Operations	27.72	37.12
Interest & Finance Charges paid	1.69	2.42
Cash flow from Extraordinary Items	0.00	0.00
Net Cash flow from Operating Activities	26.02	34.70
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-21.61	-55.87
Sale of Fixed Assets	0.00	15.50
Investments	0.00	0.00
Net Cash Used in Investment Activities	-21.61	-40.37
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received against Call Money	0.00	0.00
Proceeds from Issue of Capital	0.00	0.00
Deferred Expenditure	0.00	0.00
Net Cash used in Financing Activities	0.00	0.00
NET INCREASE IN CASH & CASH EQUIVALENTS	4.41	-5.66
Cash and Cash Equivalents (Opening Balance)	4.47	10.13
Cash and Cash Equivalents (Closing Balance)	8.88	4.47

For and on behalf of the Board

For **ObjectOne Information Systems Ltd**

Sd/-

Sd/-

Place: Hyderabad

K. Ravishankar**M.Vijay Kumar**

Date : 02-09-2011

Managing Director

Director

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Objectone Information Systems Limited for the year ended 31st, March, 2011. This has been prepared by the Company is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For P Murali and Co.

Chartered Accountants

Sd/-

P. Murali Mohan Rao

Partner

M. No. 23412



INDIAN GAAP CONSOLIDATED FINANCIAL STATEMENTS

- **Auditor's Report**
- **Consolidated Balance Sheet**
- **Consolidated Profit & Loss Account**
- **Consolidated Schedules**
- **Notes on Consolidated Accounts**
- **Consolidated Cash Flow Statement**



AUDITOR'S REPORT

To
The Board of Directors,
ObjectOne Information Systems Limited,
On the Consolidated Financial Statements of ObjectOne Information Systems Limited, and its Subsidiary.

We have examined the attached Consolidated Balance Sheet of M/s. OBJECTONE INFORMATION SYSTEMS LIMITED and its subsidiaries INMATE CONSULTANTS PRIVATE LIMITED, OBJECT NET TECHNOLOGIES INC as at 31st March, 2011 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

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

We did not audit the financial statements of its subsidiaries M/s INMATE CONSULTANTS PRIVATE LIMITED and OBJECT NET TECHNOLOGIES INC as at 31st March, 2011. The financial statements of M/s INMATE CONSULTANTS PRIVATE LIMITED have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors. The financial statements of M/s OBJECT NET TECHNOLOGIES INC has not audited and has been included on the basis of compulsion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, 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.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2011.
- (b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
- (c) In the case of the consolidated cash flows Statement, of the consolidated Cash flows of the company and its subsidiaries for the year then ended.

For P Murali and Co.
Chartered Accountants
Sd/-
P. Murali Mohan Rao
Partner
M, No. 23412

Place: Hyderabad
Date : 02-09-2011



**OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
SOURCES OF FUNDS:			
1. Shareholders' Funds			
a. Share Capital	1	105,119,000	128,212,000
b. Reserves and Surplus	2	45,595,682	9,510,320
2. Minority Interest			
	3	253,220	256,662
3. Loan Funds			
a. Secured Loans		854,418	1,464,881
b. Unsecured Loans		4,618,032	407,236
4. Deferred Tax Liability			
		-	2,383,234
TOTAL		<u><u>156,440,352</u></u>	<u><u>142,234,333</u></u>
APPLICATION OF FUNDS:			
1. GOODWILL			
		7,095,347	7,095,347
2. FIXED ASSETS			
a. Gross Block	4	144,157,685	141,996,677
b. Less Depreciation		<u>54,000,662</u>	<u>48,680,936</u>
c. Net Block		90,157,023	93,315,741
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventory		1,995,714	2,026,254
b) Sundry Debtors	5	34,550,762	28,728,338
c) Cash and Bank Balances	6	13,077,971	4,701,351
d) Loans and Advances	7	15,645,065	15,847,421
Less: Current Liabilities and Provisions	8	9,809,281	9,480,119
NET CURRENT ASSETS		55,460,231	41,823,245
4. DEFERRED TAX ASSET			
		3,727,751	-
TOTAL		<u><u>156,440,352</u></u>	<u><u>142,234,333</u></u>
NOTES TO ACCOUNTS	10	-	-

AS PER OUR REPORT EVEN DATE

For P MURALI & CO

CHARTERED ACCOUNTANTS

FRN No: 007257S

Sd/-

P. MURALI MOHANA RAO

PARTNER

M.No: 23412

PLACE : HYDERABAD

DATE : 02-09-2011

For an on behalf of the Board

ObjectOne Information Systems Limited

Sd/-

K. RAVISHANKAR
MANAGING DIRECTOR

Sd/-

M.VIJAY KUMAR
DIRECTOR



OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE NO.	YEAR ENDED 31-03-2011 (Rupees)	YEAR ENDED 31-03-2010 (Rupees)
I INCOME			
Export Income		41,629,210	28,034,520
Domestic Income		245,599,999	267,256,644
Increase/(Decrease) in Stocks		(30,540)	(421,125)
Other Income		560,590	1,707,930
TOTAL		<u>287,759,259</u>	<u>296,577,969</u>
II EXPENDITURE			
Salaries		234,891,929	217,902,757
Operational & Administrative Expenses	9	39,313,716	71,919,337
Interest & Financial Charges		195,781	256,802
Depreciation	4	5,319,726	5,109,149
Misc. Expenditure W/o.		-	249,822
TOTAL		<u>279,721,152</u>	<u>295,437,867</u>
Profit / (Loss) Before Tax		8,038,107	1,140,102
Provision for taxation		1,160,172	1,223,108
Deferred taxation		(6,110,985)	732,166
Profit / (Loss) After Tax		12,988,920	(815,172)
Balance Brought Forward		8,955,982	10,188,579
Minority Interest		163,220	166,662
Prior Period Adjustments		-	417,425
Balance Carried Forward		21,781,682	8,789,320
Earning per share		0.65	(0.01)
NOTES TO ACCOUNTS	10		

AS PER OUR REPORT EVEN DATE
For P MURALI & CO
 CHARTERED ACCOUNTANTS
FRN No: 007257S

Sd/-
P. MURALI MOHANA RAO
 PARTNER
M.No: 23412

PLACE : HYDERABAD
 DATE : 02-09-2011

For an on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
K. RAVISHANKAR
 MANAGING DIRECTOR

Sd/-
M.VIJAY KUMAR
 DIRECTOR



OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED ACCOUNTS
Schedules forming part of the Balance sheet

PARTICULARS	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
14000000 Equity Shares of Rs.10/- each	14000000	140,000,000
ISSUED, SUBSCRIBED & PAID UP:		
10511900 Equity shares of Rs.10/- each fully paid	105119000	105,119,000
Share Warrants Money		23,093,000
	<u>105119000</u>	<u>128,212,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve - Forfeiture amount on cancellation of convertible warrants	23814000	721,000
Profit & Loss Account	8955982	10,188,579
Profit & Loss after tax for the year	12988920	(1,232,597)
Minority Interest	163220	(166,662)
	<u>45595682</u>	<u>9,510,320</u>
SCHEDULE 3		
MINORITY INTEREST		
30% of 30000 Equity Share of 10 fully paid	90000	90,000
add:30% of Reserves & Surplus	163220	166,662
	<u>253220</u>	<u>256,662</u>
SCHEDULE 5		
SUNDRY DEBTORS		
(Unsecured & considered good)		
a. Debt over a period of six months	119208	4,189,300
b. Other (Less than six months)	34431554	24,539,038
	<u>34550762</u>	<u>28,728,338</u>
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on Hand	44560	30,402
Cash at Bank Schedule banks	165565	14,235
Cash at Other Banks	12867846	4,656,714
	<u>13077971</u>	<u>4,701,351</u>



ObjectOne Information Systems Limited
Schedules forming part of the Balance Sheet

SCHEDULE- 4 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	ASAT 01-04-2010	Additions during the year	ASAT 31-03-2011	UPTO 01-04-2010	For the year	UP TO 31-03-2011	ASAT 31-03-2011	ASAT 31-03-2010
LEASED BUILDING	7,461,383	-	7,461,383	1,564,059	472,306	2,036,365	5,425,018	5,897,324
RIGHTS	54,860,700	-	54,860,700	-	-	-	54,860,700	54,860,700
RIGHTS	28,641,425	295,000	28,936,425	10,865,165	2,865,755	13,730,920	15,205,505	17,776,260
HARDWARE & SOFTWARE	30,567,464	1,804,308	32,371,772	29,072,122	474,726	29,546,848	2,824,924	1,495,342
FURNITURE & FITTINGS	5,883,848	45,000	5,928,848	2,465,143	374,380	2,839,523	3,089,325	3,418,705
OFFICE EQUIPMENTS	8,213,336	16,700	8,230,036	3,975,298	520,480	4,495,778	3,734,258	4,238,038
ELECTRICAL EQUIPMENTS	125,000	-	125,000	56,410	5,938	62,348	62,652	68,590
VEHICLES	3,642,279	-	3,642,279	410,500	346,017	756,517	2,885,762	3,231,779
KIDSONE	2,601,242	-	2,601,242	272,239	260,124	532,363	2,068,879	2,329,003
	141,996,677	2,161,008	144,157,685	48,680,936	5,319,726	54,000,662	90,157,023	93,315,741



OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED ACCOUNTS
Schedules forming part of the Balance sheet

PARTICULARS	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
SCHEDULE 7		
LOANS & ADVANCES		
Deposits	152083	177,083
Other Advance	15492982	15,670,338
	<u>15645065</u>	<u>15,847,421</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	953785	1,143,159
Creditors for Expenses	5285496	5,043,835
Outstanding Expenses & Provision	3570000	3,293,125
	<u>9809281</u>	<u>9,480,119</u>
SCHEDULE 9		
OPERATING AND ADMINISTRATION EXPENSES		
PARTICULARS	YEAR ENDED 31-03-2011 (Rupees)	YEAR ENDED 31-03-2010 (Rupees)
Electricity Charges	989423	809,427
Postage & Telephone Expenses	3367745	4,042,490
Consultancy Charges	6010610	43,329,489
Business Promotion Expenses	101074	58,581
Rent, Rates & Taxes	4782165	5,492,407
Traveling & Conveyance	329202	162,901
Printing & Stationary	110392	67,502
Server Hosting charges	7715179	4,307,500
Repairs & Maintenance	2566260	2,415,389
Directors Remuneration	1740000	1,570,500
Auditor Remuneration	65150	70,150
eCommerce Expenses	4400971	3,441,950
Other Miscellaneous Expenses	3103880	4,519,955
Channel Expenses	4031665	777,541
KidsOne Expenses	-	232,204
Loss on sale of fixed assets	-	621,352
	<u>39313716</u>	<u>71,919,338</u>

**SCHEDULE - 10****NOTES ON CONSOLIDATED ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

1. The consolidated financial statements relate to OBJECTONE INFORMATION SYSTEMS LIMITED have been prepared the Consolidated Financial Statements, by consolidating its accounts with that of its subsidiaries INMATE CONSULTANTS PRIVATE LIMITED and OBJECT NET TECHONOLOGIES INC in accordance with the Statements of Accounting standards on " Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India (ICAI) The Consolidated Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the ICAI. The consolidated financial statements have been prepared on the following basis:
 - (i) The financial statements of the Company and it subsidiary company are combined on a line-byline basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 -- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
 - (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill
 - (iii) Minority interest's share is holding 30% there as the company is holding 70% Equity Shares in INMATE CONSULTANTS PRIVATE LIMITED
 - (iv) As for as possible, the consolidate 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.

NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

INMATE CONSULTANTS PRIVATE LIMITED, OBJECT NET TECHONOLOGIES INC subsidiary companies has been considered in the consolidated financial Statements.

As required by Accounting Standard (AS - 23) on Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, the carrying amount of Investments in Associates at the beginning of the year have been restated by applying " equity Method " of accounting from the date of acquisition of the associates and corresponding adjustments has been made to the retained earnings at the beginning of the year after eliminating unrealised profits, if any.

General :

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.



Revenue Recognition :

- (i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- (ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.
- (iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognised as related services are performed.
- (iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.
- (v) Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Foreign Exchange Transaction :

- (i) Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account. Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

Investments :

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets :

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortisation :

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortized over the period of 10 years.
- (iii) Public Issue Expenses are amortized over the period of 10 years.

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earning Per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

Gratuity :

No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

**B. NOTES ON ACCOUNTS**

1. Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act , 1956 read with Companies (Particulars of Employees) Rule 1975.

NIL

2. Director's Remuneration:	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
	17,40,000/-	15,70,500/-
3. Auditor's Remuneration Audit Fee	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
	65,150/-	70,150/-

4. The Company is engaged in the development of Computer Software and services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.

5. Expenditure in Foreign Currency: **Nil**

6. Earnings in Foreign Exchange as reported by the Company to Government of India and as certified by Management.

	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
Foreign Exchange Inflow	3,02,36,613/-	2,33,41,865/-

7. The Depreciation has been calculated on Rights Tangible Assets at the rate of 10% on the rights and KidsOne Capital Expenditure which were put to use during the financial year under audit
8. There are no dues to SSI Units outstanding for more than 30 days.
9. No confirmations are obtained from debtors/creditors as to the balances receivable from/ payable to them as at year end.
10. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax asset for the current year amounts to 61,10,985/- (Previous Year Rs. 7,32,166/- towards deferred tax Liability)
11. The vehicle loans are secured against hypothecation of the vehicles.
12. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 TO 11

AS PER OUR REPORT EVEN DATE

For P MURALI & CO

CHARTERED ACCOUNTANTS

FRN No: 007257S

Sd/-

P. MURALI MOHANA RAO

PARTNER

M.No: 23412

PLACE : HYDERABAD

DATE : 02-09-2011

For an on behalf of the Board

ObjectOne Information Systems Limited

Sd/-

K. RAVISHANKAR

MANAGING DIRECTOR

Sd/-

M.VIJAY KUMAR

DIRECTOR



OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2011

PARTICULARS	(Rs in Lakhs)	
	2010-11	2009-10
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	80.38	11.40
ADJUSTMENTS FOR		
Depreciation	53.20	51.09
Loss on Sale of Fixed Assets	0.00	6.21
Preliminary & Issue Exp Written Off	0.00	2.50
Interest Expenses	1.96	2.57
Operating Profit before Working Capital Changes	135.54	73.77
ADJUSTMENTS FOR		
Trade & Other Receivable	-61.90	-33.09
Trade Payables	28.15	-2.04
Cash Generated From Operations	107.33	38.64
Interest & Finance Charges paid	1.96	2.57
Cash flow from Extraordinary Items	0.00	0.00
Net Cash flow from Operating Activities	105.38	36.07
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-21.61	-55.87
Sales of Fixed Assets	0.00	15.50
Investments	0.00	0.00
Net Cash Used in Investment Activities	-21.61	-40.37
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received against Call Money	0.00	0.00
Proceeds from Issue of Capital	0.00	0.00
Deferred Expenditure	0.00	0.00
Net Cash used in Financing Activities	0.00	11.40
NET INCREASE IN CASH & CASH EQUIVALENTS	83.77	-4.30
Cash and Cash Equivalents (Opening Balance)	47.01	51.31
Cash and Cash Equivalents (Closing Balance)	130.78	47.01

For an on behalf of the Board
ObjectOne Information Systems Limited

PLACE : HYDERABAD
DATE : 02-09-2011

Sd/-
K. RAVISHANKAR
MANAGING DIRECTOR

Sd/-
M.VIJAY KUMAR
DIRECTOR

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Objectone Information Systems Limited for the year ended 31st, March, 2011. This has been prepared by the Company is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For P Murali and Co.
Chartered Accountants
Sd/-

P. Murali Mohan Rao
Partner
M.No. 23412



SUBSIDIARY COMPANY FINANCIAL STATEMENT

**24th ANNUAL REPORT
2010-11**

INMATE CONSULTANTS PRIVATE LIMITED

BOARD OF DIRECTORS

Mr.K.Ravi Shankar
Smt.K.Himabindu

Managing Director
Director

BANKERS

CITI BANK N.A.

AUDITORS

D.S.N.V. PRASAD
Chartered Accountant
Flat No. 303, Adarsh Grand Residency
S. N. Puram, Chaitanyapuri
Hyderabad – 500 060

REGISTERED OFFICE

8-3-988/34/7/2/1&2,
Kamalapuri Colony
Srinagar Colony Road
HYDERABAD – 500 073



NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of M/s INMATE CONSULTANTS PRIVATE LIMITED will be held Thursday, the 29th September, 2011 at 10.00 A.M. at 8-3-988/34/7/2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad - 500 073 to consider the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Report of Auditors and the Report of Board of Directors.
2. To appoint Auditors and to fix their remuneration,

For and on behalf of the Board
INMATE CONSULTANTS PRIVATE LIMITED

Sd/-
K Ravi Shankar
Managing Director

Sd/-
K Hima Bindu
Director

Place: Hyderabad

Date: 30-08-2011

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Instrument of proxies in order to be effective must be deposited at the company's Registered Office 8-3-988/34/7/2, Kamalapuri Colony,, Srinagar Colony Road, Hyderabad – 500 073 not less than 48 hours before the time of holding the aforesaid meeting

**DIRECTORS' REPORT****TO
THE MEMBERS**

Your Directors presents the TWENTY FOURTH ANNUAL REPORT together with the Audited Financial Statements of the Company for the year ended 31-03-2011

FINANCIAL RESULTS**Amount in Rupees**

Particulars	2010.11	2009-10
Total Income	498941	1620580
Net Operating Expenses	375666	1416950
Profit before Depreciation	23275	203630
Depreciation	39880	39880
Loss/Profit before Taxation	-16605	163750
Provision for Taxation	4683	58244
Provision for Deferred Tax	-9814	-7645
Profit after Taxation	-11474	113151
Profit /Loss Brought forward from previous years	555540	442389
Profit carried to the Balance Sheet	544066	555540

PERFORMANCE

Your company earned Net Loss of Rs. 11474/- against the previous years Net Profit of Rs. 1,13,151/-

PLAN

Your company making future plans to improve the existing business and improve client base so as to achieve a good turnover with competency.

ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(e) OF THE COMPANIES ACT, 1956

- (a) Conservation of Energy: The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.



(b) (i) Research and Development (R&D) :	No research and Development has been carried out
(ii) Technology Absorption, adaptation :	No technology either indigenous and innovation or Foreign is involved.
(c) Foreign Exchange inflow and outgo :	
(i) Foreign Exchange inflow :	NIL
(ii) Foreign Exchange outflow :	NIL

PARTICULARS OF EMPLOYEES

In pursuance of the provision of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1975, the Directors are to report that no employee was in the receipt of remuneration of Rs 2400000/- or more per annum or Rs 200000/- or more per month where employed for a part of the year.

DEPOSITS

The company has not accepted any deposit during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board submits as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss account of the company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.



AUDITORS

D.S.N.V. PRASAD, Chartered Accountant the present Auditor of the company hold office unit the conclusion of this Annual General Meeting of the Company, he has indicated their availability for reappointment pursuant to Section 224(1B) of the Companies Act 1956.

ACKNOWLEDGEMENT

Your Directors place on record the appreciation for the sincere efforts and active involvement of employees at various levels of the Company in its operations. The Directors also place on record the appreciation for the support received from Banks and other Government Agencies. The Directors express gratitude to the shareholders of the company for the confidence reposed in the management.

For and on behalf of the Board
INMATE CONSULTANTS PVT. LTD.

Place : Hyderabad
Date : 30-08-2011

Sd/-
K Ravishankar
Managing Director

Sd/-
K. Hima Bindu
Director



AUDITOR'S REPORT

To
The Members,
INMATE CONSULTANTS PRIVATE LIMITED
Hyderabad

I have audited the attached Balance Sheet of INMATE CONSULTANTS PRIVATE LIMITED as at 31st March, 2011 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. I believe that my audit provides a reasonable basis of my opinion as required by the Companies (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of section 227 of the Companies Act,1956, I enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to my comments in the Annexure referred to above, I report that

- i. I have obtained all the information and explanations, which to the best of my knowledge and belief are necessary for the purposes of my Audit ;
- ii. In my opinion, proper books of accounts as required by law have been kept by the company so far as appears from my examination of those books ;
- iii. The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iv. In my opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956
- v. On the basis of written representations received from the Directors, as on 31st March , 2011 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March , 2011 from being appointed Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956 ;
- vi. In my opinion and to the best of my information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) In the case of the Profit & Loss Account, of the Profit for the period ended on that date;

And

- (c) In the case of the Cash Flow, of the cash flows for the period ended on that date ;

Sd/-

D.S.N.V.Prasad

Chartered Accountant
Membership No. 206804

PLACE : HYDERABAD
DATE : 30-08-2011



ANNEXURE TO THE AUDITORS' REPORT

- I (a) The Company have maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. The Company has no Inventory. Hence this clause is not applicable.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms & other parties listed in the register U/ s.301 of the Companies Act, 1956 , hence overdue amount of more than rupees one lac does not arise and the clause is not applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.
- IV. In my opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.



- V. (a) In my opinion and according to the information and explanation given to us , since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A,58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In my opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.
- IX. a) The Company is regular in depositing statutory dues including PF, Investor Education & Protection Fund, Income Tax, and any other statutory dues with the appropriate authorities and at the last of the financial year there are no amounts outstanding which are due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no disputed amounts are payable in respect of PF, Investor Education & Protection Fund, Income Tax, and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies



- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the company has not obtained any Term Loans, hence this clause is not applicable.
- XVII. According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

Sd/-
D.S.N.V.Prasad
Chartered Accountant
Membership No. 206804

PLACE : HYDERABAD
DATE : 30-08-2011

**INMATE CONSULTANTS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
I SOURCES OF FUNDS:			
1. Shareholders' Funds			
a. Share Capital	1	300,000	300,000
b. Reserves and Surplus	2	544,066	555,540
2. Loan Funds			
a. Unsecured Loan		407,236	407,236
TOTAL		1,251,302	1,262,776
II APPLICATION OF FUNDS:			
1. FIXED ASSETS	3		
a. Gross Block		526,913	526,913
b. Less Depreciation		421,759	381,879
c. Net Block		105,154	145,034
2. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventory		1,225,830	1,256,370
b) Sundry Debtors	4	-	218,028
c) Cash & Bank Balances	5	34,521	2,967
d) Loans & advances	6	449,727	799,220
		1,710,078	2,276,585
Less: Current Liabilities and Provisions	7	576,154	1,161,253
NET CURRENT ASSETS		1,133,924	1,115,332
3. DIFFERED TAX ASSET		12,224	2,410
TOTAL		1,251,302	1,262,776
NOTES TO ACCOUNTS	9	-	-

AS PER MY REPORT EVEN DATE

Sd/-
D.S.N.V. PRASAD
Chartered Accountant
Membership No. 206804
PLACE : HYDERABAD
DATE : 30.08.2011

For and on behalf of the Board
INMATE CONSULTANTS PRIVATE LIMITED
Sd/-
K. RAVI SHANKAR
Managing Director
Sd/-
K. HIMABINDU
Director

**INMATE CONSULTANTS PRIVATE LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	YEAR ENDED 31-03-2011 (Rupees)	YEAR ENDED 31-03-2010 (Rupees)
I INCOME			
Income from Software Division		262,750	2,488,300
Advertise Income		245,311	49,505
Decrease/Increase in Stock		(30,540)	(924,550)
Other Income		21,420	7,325
TOTAL		498,941	1,620,580
II EXPENDITURE			
Salaries		100,000	672,000
Administrative Expenses	8	371,695	740,014
Interest & Financial Charges		3,971	4,936
Depreciation	3	39,880	39,880
TOTAL		515,546	1,456,830
Profit for the year		(16,605)	163,750
Provision for taxation		4,683	58,244
Provision for Deferred taxation		(9,814)	(7,645)
Profit after Taxes		(11,474)	113,151
Balance Brought Forward		555,540	442,389
Balance Carried Forward		544,066	555,540
NOTES TO ACCOUNTS	9		

AS PER MY REPORT EVEN DATE

For and on behalf of the Board
INMATE CONSULTANTS PRIVATE LIMITEDSd/-
D.S.N.V. PRASAD
Chartered Accountant
Membership No. 206804Sd/-
K. RAVI SHANKAR
Managing DirectorSd/-
K. HIMABINDU
DirectorPLACE : HYDERABAD
DATE : 30.08.2011

**INMATE CONSULTANTS PRIVATE LIMITED**
Schedules forming part of the Balance sheet

PARTICULARS	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
30000 Equity Shares of Rs.10/- each	<u>300,000</u>	<u>300,000</u>
ISSUED, SUBSCRIBED & PAID UP:		
30000 Equity shares of Rs.10/- each fully paid	<u>300,000</u>	<u>300,000</u>
	<u>300,000</u>	<u>300,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Profit & Loss Account Opening	555540	442,389
Loss /Profit after tax for the year	<u>(11474)</u>	<u>113,151</u>
	<u>544,066</u>	<u>555,540</u>
SCHEDULE 4		
SUNDRY DEBTORS		
(Unsecured & Considered Good)		
a. Debt over a period six months	-	-
b. Others (Less than six months)	-	<u>218,028</u>
	<u>-</u>	<u>218,028</u>
SCHEDULE 5		
CASH & BANK BALANCES		
Cash in hand	6,318	1,777
Cash with other banks	<u>28,203</u>	<u>1,190</u>
	<u>34,521</u>	<u>2,967</u>
SCHEDULE 6		
LOANS, ADVANCES & WIP		
a. Deposits	9,500	9,500
b. TDS Receivable	<u>440,227</u>	<u>789,720</u>
	<u>449,727</u>	<u>799,220</u>



INMATE CONSULTANTS PRIVATE LIMITED
Schedules forming part of the Balance Sheet

SCHEDULE- 3 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01-04-2010	Additions during the year	AS AT 31-03-2011	UPTO 31-04-2010	for the year 2010-2011	UP TO 31-03-2011	AS AT 31-03-2011	AS AT 31-03-2010
DATA PROCESSING EQUIPMENT	483,828	-	483,828	367,511	37,153	404,664	79,164	116,317
FURNITURE & FITTINGS	43,085	-	43,085	14,368	2,727	17,095	25,990	28,717
	526,913	-	526,913	381,879	39,880	421,759	105,154	145,034
Previous Year	526,913	-	526,913	341,999	39,880	381,879	145,034	184,914

**INMATE CONSULTANTS PRIVATE LIMITED**
Schedules forming part of the Balance sheet

PARTICULARS	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
Creditors for Expenses & Others	277,453	631,162
Outstanding Expenses & Provisions	298,701	530,091
	<u>576,154</u>	<u>1,161,253</u>
SCHEDULE 8		
OPERATING AND ADMINISTRATION EXPENSES		
PARTICULARS	FOR THE PERIOD ENDED 31-03-2011 (Rupees)	FOR THE PERIOD ENDED 31-03-2010 (Rupees)
Rent, Rates & Taxes	3,800	8,140
Postage & Telephones	7,883	6,453
Repairs & Maintenance	12,710	10,450
Auditors Remuneration	10,000	15,000
Traveling & Conveyance Expenses	6,756	13,896
Directors Remuneration	120,000	180,000
Software Development Charges	206,596	500,000
Other Miscellaneous Expenses	3,950	6,075
	<u>371,695</u>	<u>740,014</u>



SCHEDULE - 9

NOTES ON ACCOUNTS

General :

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition :

- (i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- (ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.
- (iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognised as related services are performed.
- (iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.
- (v) Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Foreign Exchange Transaction :

- (i) Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account. Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

Investments :

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets :

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortization :

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax



consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earning Per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

Gratuity :

No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

B. NOTES ON ACCOUNTS

1. Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act , 1956 read with Companies (Particulars of Employees) Rule 1975.

NIL

2. Director's Remuneration:	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
K. Hima Bindu ,Director	120,000/-	1,80,000/-
3. Auditor's Remuneration	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
Audit Fee	10,000/-	15,000/-

4. The Company is engaged in the development of Computer Software and services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.
5. Expenditure in Foreign Currency: **NIL**
6. There are no dues to SSI Units outstanding for more than 30 days.
7. No confirmations are obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.
8. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax asset for the current year amounts to Rs 9814/- towards deferred tax liability (Previous Year Rs.7645/- towards deferred tax Asset)
9. Previous year figures have been regrouped where ever necessary
10. The figures have been rounded off to the nearest rupee.



SIGNATURES TO SCHEDULES 1 To 9

AS PER MY REPORT OF EVEN DATE

For and on behalf of the Board
Inmate Consultants Private Limited

Sd/-

D.S.N.V.Prasad
Chartered Accountant

Sd/-

K. Ravi Shankar
Managing Director

Sd/-

K.Hima Bindu
Director

Membership No. 206804

Place : Hyderabad

Date: 30-08-2011

ADDITIONAL INFORMATION AS REQUIRED UNDER IV OF SCHEDULE VI TO THE
THE COMPANIES ACT 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration details				
	Registration No.	7734	State Code:		1
	Balance Sheet Date	31st March 2011			
II	Capital Raised During the Year (Amount in Rs. Thousand)				
	Public Issue Call Money)	NIL	Rights Issue		NIL
	Bonus Issue	NIL	Preferential Offer		NIL
III	Position and Mobilisation and deployment of funds(Amount in Rs Thousands)				
	Total Liabilities	1,251	Total Assets		1,251
	Sources of Funds				
	Paid up Capita	300	Reserves & Surplus		544
	Secured Loans	-	Unsecured Loans		407
	Application of Funds				
	Net Fixed Assets	105	Investments		-
	Net Current Assets	1,134	Misc. Expenditure		12
	Accumulated Losses	-			
IV	Performance of the Company (Amount in Rs. Thousands)				
	Turnover/other income	499	Expenditure		516
	Profit/loss before tax	(17)	Profit/loss after tax		(11)
	Earning per Share	-0.38	Dividend Rate %		NIL
V	General names of three principle Products/services of the Company (As per Monitory Terms)				
	Item Code No. (ITC Code)		Software Development		
	Product Description		Software Development		

For and on behalf of the Board
Inmate Consultants Private LimitedSd/-
K. Ravi Shankar
Managing DirectorSd/-
K.Hima Bindu
DirectorPlace : Hyderabad
Date: 30-08-2011



INMATE CONSULTANTS PRIVATE LIMITED
CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2011

PARTICULARS	(Amount in Rupees)	
	2010-11	2009-10
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	-16605	163750
ADJUSTMENTS FOR		
Depreciation	39880	39880
Loss on Sale of Fixed Assets	0	0
Preliminary & Issue Exp Written Off	0	0
Fianncial Expenses	3971	4936
Operating Profit before Working Capital Changes	27246	208566
ADJUSTMENTS FOR		
Trade & Other Receivable	598061	583038
Trade Payables others	-589782	-1031133
Cash Generated From Operations	35525	-239529
Interest & Fiancé Charges paid	3971	4936
Cash flow from Extraordinary Items	0	0
Net Cash flow from Operating Activities	31554	-244465
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	0
Sale of Fixed Assets	0	0
Investments	0	0
Net Cash Used in Investment Activities	0	0
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received against Call Money	0	0
Proceeds from Issue of Capital	0	0
Deferred Expenditure	0	0
Net Cash used in Financing Activities	0	0
NET INCREASE IN CASH & CASH EQUIVALENTS	31554	-244465
Cash and Cash Equivalents (Opening Balance)	2967	247432
Cash and Cash Equivalents (Closing Balance)	34521	2967

For and on behalf of the Board
INMATE CONSULTANTS PVT. LTD.

Place : Hyderabad
Date : 30-08-2011

Sd/-
K Ravishankar
Managing Director

Sd/-
K. Hima Bindu
Director

We have examined the above cash flow statement of Inmate Consultants Private Limited for the year ended 31st, March, 2011. This has been prepared by the Company is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Sd/-
D.S.N.V. PRASAD
Chartered Accountants
Membership No. 206804

Place : Hyderabad
Date : 30-8-2011



**SUBSIDIARY COMPANY
FINANCIAL STATEMENT**

OBJECTNET TECHNOLOGIES INC.

OFFICE ADDRESS :
1117, Perimeter Centre,
West Suite, # E 104,
Georgia
Atlanta 30338

**OBJECT NET TECHNOLOGIES INC
BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	AS AT 31-03-2011 Provisional (Rupees)	AS AT 31-03-2010 Provisional (Rupees)
I SOURCES OF FUNDS:		
1. Shareholders' Funds		
Share Capital	4,000,000	4,000,000
Reserves & Surplus	22,334,177	16,341,984
TOTAL	<u>26,334,177</u>	<u>20,341,984</u>
II APPLICATION OF FUNDS:		
1. FIXED ASSETS		
a. Gross Block	3,638,240	3,638,240
b. Less Depreciation	<u>3,638,240</u>	<u>3,638,240</u>
c. Net Block	-	-
2. CURRENT ASSETS, LOANS & ADVANCES		
a) Cash & Bank Balances	12,155,132	4,251,520
b) Net Other Assets	<u>14,179,045</u>	<u>16,090,464</u>
NET CURRENT ASSETS	26,334,177	20,341,984
TOTAL	<u>26,334,177</u>	<u>20,341,984</u>

for **Object net Technologies Inc**PLACE : ATLANTA
DATE : 18-08-2011Sd/-
VISWANATH DASARI
CHIEF EXECUTIVE OFFICER

**OBJECT NET TECHNOLOGIES INC
PROFIT & LOSS ACCOUNT FOR THE YEAR 31ST MARCH, 2011**

PARTICULARS	AS AT 31-03-2011 Provisional (Rupees)	AS AT 31-03-2010 Provisional (Rupees)
I INCOME		
Income	237,074,013	262,096,306
Other Income	156,731	632,987
TOTAL	<u>237,230,744</u>	<u>262,729,293</u>
II EXPENDITURE		
Salaries & Benefits	217,497,309	203,924,001
Rent, Rates & Taxes	3,430,919	4,231,156
Postage, Internet & Telephones	2,659,317	3,535,660
Professional & Legal	5,016,365	43,032,271
Repairs & Maintenance	814,228	999,256
Other Miscellaneous Expenses	848,916	1,143,660
Interest & Finance Charges	22,445	10,117
Depreciation	-	43,593
TOTAL	<u>230,289,499</u>	<u>256,919,714</u>
Profit for Period	6,941,245	5,809,579
Profivsion for Tax	949,052	1,164,864
Profit after Tax	5,992,193	4,644,715
Balance Brought Forward	16,341,984	11,697,269
Balance Carried Forward	<u>22,334,177</u>	<u>16,341,984</u>

for **Object net Technologies Inc**PLACE : ATLANTA
DATE : 18-08-2011Sd/-
VISWANATH DASARI
CHIEF EXECUTIVE OFFICER



ObjectOne Information Systems Limited
Regd. Office : 8-3-988/34/7/2/1&2, Kamalapuri Colony,
Srinagar Colony Road, Hyderabad - 500 073.

PROXY

I/Weof
..... being a member / member of ObjectOne
Information Systems Limited of
as our Proxy to attend and vote for me/us, on my/our behalf of the 15th Annual General Meeting of the
Company to be held on Thursday 29th September, 2011 at 11.00 A.M. or at adjourned thereof.

AS WITNESS my/our hand (s) this day of 2011 signed
by the said

Affix 1
Rupee
Revenue
Stamp

Note : The proxy must reach at the Registered Office of Company not less than 48 hours before the
time fixed for holding the meeting.

ObjectOne Information Systems Limited
Regd. Office : 8-3-988/34/7/2/1&2, Kamalapuri Colony,
Srinagar Colony Road, Hyderabad - 500 073.

ATTENDANCE SLIP

Ledger Folio No.
Mr/Mrs.Ms.
(Member's Name in Block Letters)

I certify that I am Registered Member / Proxy for the Registered Member of the Company. I here by
record my presence at 15th Annual General Meeting of the Company held on Thursday 29th Sepetmber,
2011 at 11.00 A.M. at Regd. Office : 8-3-988/34/7/2/1&2, Kamalapuri Colony, Srinagar Colony Road,
Hyderabad. 500 073.

If signed by proxy, his/her name should be written here in Block Letters

Member's Proxy Signature

Note : Member's/Proxy holders are requested to bring the Attendance slip with them when they
come to the meeting and hand it over at the gate after affixing their signature on it.