



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
Mr. N Prakash	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

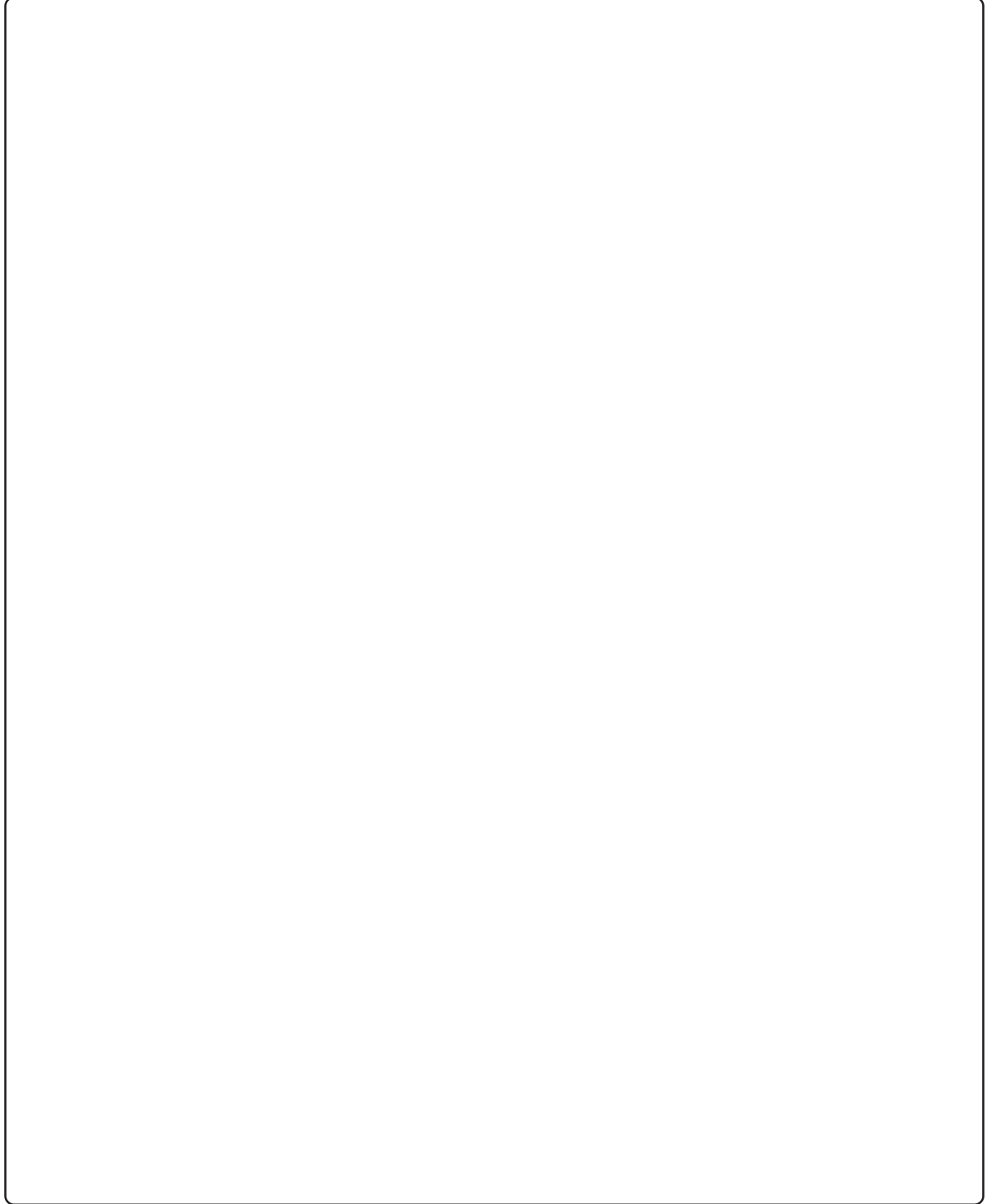
REGISTERED OFFICE

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 Thirteenth Annual General Meeting of the Members will be held on Tuesday, the 29th day of September, 2009 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, 2009 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. B.S.N. Kumar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. Mohan Muralidhar Venigella who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. Sana Satish Kumar who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
K Ravi Shankar
Managing Director

Place: Hyderabad
Date: 02-09-2009



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 26th September, 2009 to 29th September, 2009 (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.

By order of the Board
ObjectOne Information Systems Limited

Sd/-
K Ravi Shankar
Managing Director

Place: Hyderabad
Date: 02-09-2009



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	: Mr B.S.N. Kumar
	Age/DOB	: About 44 Years
	Qualification	: B.E.
	Experience	: Vast experience in Administration area and Business
	Other Directorships	: NIL
2	Name	: Mr. Mohan Muralidhar Venigella
	Age/DOB	: About 47 Years
	Qualification	: Professor in Traffic Management
	Experience	: Vast experience in Traffic Management system And Financial Investments
	Other Directorships	: NIL
3	Name	: Mr. Sana Satish Babu
	Age/DOB	: About 37years
	Qualification	: B.E.
	Experience	: Vast Experience in Information Technology
	Other Directorships	: ilios (India) Private Limited.

Explanatory statement pursuant to section 173 (2) of the companies act 1956

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By order of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02-09-2009

Sd/-
K Ravi Shankar
Managing Director

**DIRECTORS' REPORT**

Dear Members,

Your Directors take pleasure in presenting THIRTEENTH ANNUAL REPORT of your company together with the audited financial statements for the financial year 2008-09. During the financial year under review, your company grew at 370% in terms of total revenue. The gross turnover of the company increased from Rs. 948 Lacs to Rs. 3507 Lacs (Consolidated). We are happy to inform you that your company over the last few years consolidated its gains as a global player in the Internet Technology Space.

FINANCIAL RESULTS - STAND ALONE

Rupees in Lakhs

PARTICULARS	2008-09	2007-08
Gross Income	315.01	290.18
Expenditure	333.91	295.83
Gross Profit Before Depreciation	(18.90)	(5.65)
Depreciation	42.61	39.09
Profit for the year before Tax	(61.51)	(44.74)
Prior period adjustments	0.00	0.24
Provision for Income Tax	0.00	0.00
Provision for FBT	0.92	0.83
Provision for Deferred Tax	5.20	5.63
Profit after Tax	(67.63)	(51.44)
Profit brought forward	48.12	99.56
Profit carried forward to Balance Sheet	(19.51)	48.12

Performance

The Company has earned the income of Rs 315.01 lakhs during the year against previous year income of Rs 290.18 lakhs and Gross Loss of Rs.18.90 lakhs during the year against previous year Gross Loss of Rs. 5.65 lakhs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to clause 49 of the Listing Agreement, Management Analysis Report is given below:

BUSINESS OVERVIEW:

Your company has been in the area of internet entertainment which is now poised for a big leap as the major IT players are now venturing into this sphere and technology is also maturing to enable full screen high quality video delivery.

TeluguOne IPTV on Internet- Your Company has been working on a unique service, TeluguOne IPTV on Internet being modeled after traditional DTH service is now ready for launch through your portal teluguone.com, TeluguOne will be serving telugu audience worldwide with Telugu Television channels. Agreements have been entered into with few Satellite channels, negotiations are in progress with other satellite TV channels.



TeluguOne TV – Your Company has acquired over 1500 Telugu movie Internet rights. With this huge content your company has launched Worlds first on-demand internet TV channel. Your channel has gained acceptance of the community abroad. This year we plan to include variety of programming including user generated local content from various counties.

TeluguOne content syndication: Your Company owns a huge repository of content both acquired a well as developed in-house. Video Hosting services and Telecom companies have signed up with your company for our content. TeluguOne is a premium channel now on Youtube.com and revenue generation has started from teluguone on youtube channel. We have signed up a content sharing agreement with M/s. ATRIA CONVERGENCE TECHNOLOGIES PRIVATE LIMITED India's first IPTV implementation.

TORI – Worlds First Telugu Global Radio: Teluguone Radio on Internet popularly known as TORI has emerged as the world's first global telugu radio now going the mobile way playing on GPRS mobile phones.

KidsOne – Your Company always believed content is king and has been putting its efforts to create content of premium quality for kids. We have created content for Telugu, Hindi and Tamil languages. www.kidsone.in is ready for launch in this financial year.

LearnOne – Digital Knowledge Center (DKC) an e-Learning Initiative based on the state of the art IPTV technology is developed by your company. This could be another growth area for your company in the next few years. Negotiations are on with few Government Departments to implement our Digital Knowledge centers for heir e-learning initiatives.

Software services –During this year your company has developed a Global Payroll system covering around 33 countries. Your company also executed projects for Ministry of Urban Development, Department of planning. Your company added 10 new clients globally this year. Manpower grew from 100 TO 168.

SUBSIDIARIES:

As required under Section 212 of the Companies Act, 1956, the subsidiary's financial statement of accounts for the period ended 31st March, 2009 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. B.S.N Kumar, Mr Mohan Muralidhar Venigella and Mr. Sana satish Babu, 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, 2009, 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, 2009 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. 1,26,86,382/- against IT enabled Services and other income

Foreign Exchange outgo : Rs 85,925/- towards foreign travel.

Foreign Exchange outgo : Rs 56,99,067/- towards foreign company acquisition

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 Ltd.

Sd/-
K Ravishankar
Managing Director

Sd/-
M. Vijay Kumar
Director

Place : Hyderabad
Date : 02.09.2009

**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 Boards Meetings Attended	Attendance at the last AGM	No. of Directorships held in other companies
1	Mr. K Ravi Shankar	Managing Director	8	8	Yes	2
2	Mr. K Mallikarjuna Rao	Wholetime Director	8	8	Yes	-
3	Mr. M Vijay Kumar	Non-Executive Director	8	7	Yes	-
4	Mr Vishwanadh Dasari	Non-Executive Director	8	8	-	-
5	Mr B.S.N. Kumar	Independent Director	8	5	No	
6	Mr. Mohan Muralidhar Venigella	Independent Director	8	1	No	
7	Mr. Sana Satish Babu	Independent Director	8	5	Nil	1
8	Mr. I. Venkat	Independent Director	8	7	Yes	5
9	Mr. K. Mohan	Independent Director	8	7	Yes	1
10	Mr. N. Prakash	Independent Director	8	3	Yes	31



Meetings of the Board of Directors

During the financial year 2008-2009, the Board of Directors met **8** times on the following dates: 30th April, 2008, 31st July, 2008, 28th August, 2008, 2nd Sep, 2008, 31st October, 2008, 30th January, 2009, 22nd February 2009 and 20th March 2009.

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 2008-2009, the Audit Committee met four times on the following dates 30th April, 2008, 31st July, 2008, 31st October, 2008 & 30th January, 2009.

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	3

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.

Meetings and attendance during the year

During the financial year 2008-09 the committee met four times on the following dates 30th April - 2008, 31st July - 2008, 31st Oct - 2008 and 30 Jan. - 2009

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	3

Remuneration of Directors

(a) Remuneration to Non-Executive Directors

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

(b) Details of remuneration paid to Directors

Amount in Rupees

S. No.	Name of Directors	Relationship with other Directors	Loans & Advances from Company	Remuneration Paid	Commission Paid	TOTAL
1.	K Ravishankar Managing Director	None	Nil	8,77,500	Nil	8,77,500
2.	K. Mallikarjuna Rao, Whole Time Director	None	Nil	6,12,000	Nil	6,12,000
3.	M Vijay Kumar Director	None	Nil	Nil	Nil	Nil
4.	Mr Viswanath Dasari Director	None	Nil	Nil	Nil	Nil
5.	Mr. B.S.N. Kumar Director	None	Nil	Nil	Nil	Nil
6.	Mohan Muralidhar Venigella Director	None	Nil	Nil	Nil	Nil
7.	Sana Satish Babu Director	None	Nil	Nil	Nil	Nil
8.	I. Venkat Director	None	Nil	Nil	Nil	Nil
9.	K. Mohan Director	None	Nil	Nil	Nil	Nil
10.	N. Prakash Director	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 of 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 2009. A declaration signed by the managing director to this effect is enclosed.

**7. General Body Meetings**

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

a 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, 2008 (F.Y. 2007-08)	H. No. 8-3-988/34/7/2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad - 500 073.	11.00 A.M.
27 th September, 2007 (F.Y. 2006-07)	H. No. 8-3-988/34/7/2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad - 500 073.	3.00 P.M.
28 th September, 2006 (F.Y. 2005-06)	H. No. 8-3-988/34/7/2, Kamalapuri Colony, Srinagar Colony Road, Hyderabad - 500 073.	4.00 P.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 2008-09 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, 2009 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 26th September, 2009 to 29th September, 2009 (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 and The Stock Exchange, Ahmedbad, 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 their address for effecting transfer of shares both in physical and electronic form.



(I) Distribution of Shareholding as on 31st March, 2009

Share Holding Nominal Value Rupees		Share Holders Nos. %		Share Amount Rs. %	
Upto	5000	89	27	157990	0.15
5001	10000	51	16	493000	0.47
10001	20000	39	12	668000	0.64
20001	30000	40	12	1045000	0.99
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	100291010	95.41
TOTAL		324	100	105119000	100

According to categories of Shareholders as at 31st March, 2009.

CATEGORY	No of shares Held Shareholding	%Age of
A. Promoter's Holding		
1. Promoters'		
- Indian promoters-	10600	0.01
- Foreign Promoters	- Nil -	-Nil-
2. Persons acting in Concert #	- Nil -	- Nil -
Sub – Total	10600	0.01
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	472199	4.49
Holding in excess of Rs.1 lakh	8137021	77.41
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) 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 on 15th March, 2008 to M/s. Swapriyaraj Holdings Private Limited to be convertible into equity shares within a period of 18 months from the date of its allotment and on such terms and condition, subject to SEBI (Disclosure and Investor Protection) guidelines 2000 as may be applicable from time to time.

(l) 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.

(m) 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 2008-09 have 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

Sd/-
K Ravishankar
Managing Director

Sd/-
M. Vijay Kumar
Director

Place : Hyderabad
Date : 02.09.2009



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, 2009.

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02.09.2009

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, 2009 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 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

Place : Hyderabad
Date : 02-09-2009

Sd/-
P. Murali Mohan Rao
Partner

**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, 2009
C. The Company's interest in the subsidiary on the aforesaid date	
a. Number of shares held	21,000 Equity Shares
b. Face value per share	Rs. 10/-
c. Extent of holding	70%
D. The net aggregate of the Profits / (Losses) of the Subsidiary so far it concerns the Members of the company	Rs. 2,65,449/-
a. Not dealt with in the accounts of the company amounted to :	
1. For the Subsidiary's financial year ended as in B. above	Rs.79,635/-
2. for the previous financial years of the subsidiary since it became the company's subsidiary.	Rs. 30,131/-
b. Dealt with in the accounts of the Company amounted to :	
1. For the Subsidiary's financial year ended as in B. above	Rs. 1,85,814/-
2. for the previous financial years of the subsidiary since it became the company's subsidiary.	Rs. 70,305/-

For and on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
K Ravi Shankar
Managing Director

Place: Hyderabad
Date: 02.09.2009

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

A. Name of the Subsidiary Company	ObjectNet Technologies Inc.
B. Financial year of the subsidiary company	For Year Ending March 31, 2009
C. The Company's interest in the subsidiary on the aforesaid date	
a. Number of shares held	1000 Equity Shares
b. Face value per share	Rs. 4000/-
c. Extent of holding	100%
D. The net aggregate of the Profits / (Losses) of the Subsidiary so far it concerns the Members of the company	Rs. 67,58,591/-
a. Not dealt with in the accounts of the company amounted to :	
1. For the Subsidiary's financial year ended as in B. above	NA
2. for the previous financial years of the subsidiary since it became the company's subsidiary.	NA
b. Dealt with in the accounts of the Company amounted to :	
1. For the Subsidiary's financial year ended as in B. above	Rs. 67,58,591/-
2. for the previous financial years of the subsidiary since it became the company's subsidiary.	Rs. 49,38,878/-

For and on behalf of the Board
ObjectOne Information Systems Limited

Place: Hyderabad
Date: 02.09.2009

Sd/-
K Ravi Shankar
Managing Director



AUDITOR'S REPORT

To
The Members,
ObjectOne Information Systems Limited

We have audited the attached Balance Sheet of OBJECTONE INFORMATION SYSTEMS LIMITED as at 31st March, 2009 and also the Profit and Loss Account for the period ended on the date annexed there to and the cash flow statement for the period ended on the 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 an 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 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2009.
 - (b) In the case of the Profit & Loss Account, of the Loss 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 : 02-09-2009



ANNEXURE TO THE AUDITOR'S 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. 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 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 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 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(1) 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 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, ESI, 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 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 term loans were applied by the company for the purpose for which the loans were obtained.
- 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

Sd/-
P. Murali Mohan Rao
Partner

Place : Hyderabad
Date : 02-09-2009

**OBJECTONE INFORMATION SYSTEMS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	Schedule No.	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
I SOURCES OF FUNDS:			
1. Shareholders' Funds			
a. Share Capital	1	128,993,000	112,325,000
b. Reserves and Surplus	2	-	4,812,243
c. Provision for Differed Tax		1,645,833	1,125,783
2. Secured Loan		958,479	1,785,728
TOTAL		131,537,312	120,048,754
II APPLICATION OF FUNDS:			
1. FIXED ASSETS			
a. Gross Block	3	134,926,806	126,324,961
b. Less Depreciation		40,145,829	35,883,843
c. Net Block		94,780,977	90,441,118
2. INVESTMENTS	4	11,305,347	10,890,000
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Sundry Debtors	5	18,449,950	14,653,822
b) Cash and Bank Balances	6	1,013,208	3,915,842
c) Loans and Advances	7	11,753,989	11,843,657
Less: Current Liabilities and Provisions	8	7,967,058	12,195,329
NET CURRENT ASSETS		23,250,089	18,217,992
4. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	9	249,822	499,644
5. PROFIT & LOSS ACCOUNT	2	1,951,077	-
TOTAL		131,537,312	120,048,754
NOTES TO ACCOUNTS	11		

AS PER OUR REPORT EVEN DATE
For **P MURALI & CO**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
ObjectOne Information Systems Limited

Sd/-
P. Murali Mohana Rao
Partner
PLACE : HYDERABAD
DATE : 02-09-2009

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
M. Vijay Kumar
Director



OBJECTONE INFORMATION SYSTEMS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	Schedule No.	Year Ended 31-03-2009 (Rupees)	Year Ended 31-03-2008 (Rupees)
I INCOME			
Export Income		16,926,842	23,175,363
Domestic Income		11,085,806	5,691,608
Other Income		3,488,353	151,485
TOTAL		31,501,001	29,018,456
II EXPENDITURE			
Salaries		14,268,048	10,659,489
Operational & Administrative Expenses	10	18,593,432	18,521,245
Interest & Financial Charges		279,022	152,435
Depreciation	4	4,261,986	3,909,798
Written off Expenses		249,822	249,822
TOTAL		37,652,310	33,492,789
Profit / (Loss) Before Tax		(6,151,309)	(4,474,333)
Prior Period Adjustments		-	23,387
Provision for FBT		91,961	82,813
Deferred tax Liability		520,050	563,904
Loss after tax		(6,763,320)	(5,144,437)
Balance Brought Forward		4,812,242	9,956,679
Balance Carried Forward		(1,951,078)	4,812,242
Earning per share		(0.64)	(0.49)

NOTES TO ACCOUNTS

11

AS PER OUR REPORT EVEN DATE
For **P MURALI & CO**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
ObjectOne Information Systems Limited

Sd/-
P. Murali Mohana Rao
Partner

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
M. Vijay Kumar
Director

PLACE : HYDERABAD
DATE : 02-09-2009



OBJECTONE INFORMATION SYSTEMS LTD.
Schedules forming part of the Balance Sheet

PARTICULARS	As At 31-03-2009 (Rupees)	As At 31-03-2008 (Rupees)
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
14000000 Equity Shares of Rs.10/- each	140,000,000	140,000,000
ISSUED, SUBSCRIBED & PAID UP:		
10511900 Equity shares of Rs.10/- each fully paid	105,119,000	105,119,000
SHARE APPLICATION MONEY		
2402000 Convertible Warrants of Rs 10 each partly paid	23,814,000	7,206,000
	128,933,000	112,325,000
SCHEDULE 2		
RESERVES & SURPLUS		
Profit & Loss Account	4,812,243	9,956,679
Loss for the year	(6,763,320)	(5,144,437)
	(1,951,077)	4,812,243
SCHEDULE 4		
INVESTMENTS		
INMATE CONSULTANTS PVT. LTD.	600,000	600,000
OBJECT NET TECHNOLOGIES INC	10,705,347	10,290,000
	11,305,347	10,890,000
SCHEDULE 5		
SUNDRY DEBTORS		
(Unsecured & considered good)		
a. Debt over a period of six months	10,226,894	4,385,660
b. Other (Less than six months)	8,223,056	10,268,162
	18,449,950	14,653,822
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on Hand	14,676	6,598
Cash at Scheduled Banks	25,254	16,650
Cash at Other Banks	973,278	3,892,594
	1,013,208	3,915,842
SCHEDULE 7		



**ObjectOne Information Systems Limited
Schedules forming part of the Balance Sheet**

SCHEDULE- 3 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01-04-2008	Additions during the year	AS AT 31-03-2009	UPTO 01-04-2008	During the year	AS AT 31-03-2009	AS AT 31-03-2009	AS AT 31-03-2008
LEASED BUILDING	6,790,956	670,427	7,461,383	644,213	447,540	1,091,753	6,369,630	6,146,743
RIGHTS	54,860,700	-	54,860,700	-	-	-	54,860,700	54,860,700
RIGHTS	21,972,425	3,991,000	25,963,425	5,922,425	2,262,053	8,184,375	17,779,050	16,050,103
HARDWARE & SOFTWARE	25,591,966	555,676	26,147,642	24,230,628	404,563	24,635,191	1,512,451	1,361,338
FURNITURE & FITTINGS	5,791,748	38,890	5,830,638	1,713,296	367,878	2,081,174	3,749,464	4,078,452
OFFICE EQUIPMENTS	7,445,027	696,542	8,141,569	2,948,813	506,863	3,455,676	4,685,893	4,496,214
ELECTRICAL EQUIPMENTS	125,000	-	125,000	44,534	5,938	50,472	74,527	80,466
VEHICLES	3,747,139	48,068	3,795,207	380,037	255,036	635,073	3,160,134	3,367,102
KIDS ONE CONTENT CAPI.		2,601,242	2,601,242		12,115	12,115	2,589,127	-
	126,324,961	8,601,845	134,926,806	35,883,843	4,261,986	40,145,829	94,780,977	90,441,118

**OBJECTONE INFORMATION SYSTEMS LTD.**
Schedules forming part of the Balance Sheet

PARTICULARS	As At 31-03-2009 (Rupees)	As At 31-03-2008 (Rupees)
LOANS & ADVANCES		
Deposits	184,473	124,113
Other Advances	11,303,057	11,719,544
Closing Stock	266,459	-
	11,753,989	11,843,657
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	5,182,808	4,527,580
Creditors for Expenses	1,189,941	6,502,413
Outstanding Expenses & Provision	1,594,309	1,165,336
	7,967,058	12,195,329
SCHEDULE 9		
MISCELLANEOUS EXPENSES		
Preliminary & Share Issue Expenditure	249,822	499,644
	249,822	499,664
SCHEDULE 10		
OPERATING AND ADMINISTRATION EXPENSES		
Electricity Charges	674,304	627,109
Postage & Telephone Expenses	523,965	541,562
Consultancy Charges	382,341	722,234
Business Promotion Expenses	366,823	96,179
Rent, Rates & Taxes	1,689,316	1,425,314
Traveling & Conveyance	719,836	486,952
Printing & Stationary	193,231	65,474
Server Hosting charges	2,488,500	4,105,500
Repairs & Maintenance	2,954,575	2,274,387
Directors Remuneration	1,489,500	1,440,000
Auditor Remuneration	55,665	56,180
eCommerce Expenses	5,221,249	5,336,168
Other Miscellaneous Expenses	1,712,374	1,020,186
Donations		324,000
KidsOne cost of CDs	121,753	-
	18,593,432	18,521,245



SCHEDULE - 11

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 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 amortised over the period of 10 years.
- (iii) Public Issue Expenses are amortised 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>
a) K. Ravi Shankar, Managing Director	8,77,500/-	9,00,000/-
b) K, Mallikarjuna Rao Whole Time Director	6,12,000/-	5,40,000/-
3. Auditor's Remuneration	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
Audit Fee	55,665/-	56,180/-
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:	<u>Current Years (Rs.)</u>	<u>Previous Year (Rs.)</u>
Foreign Traveling	85,925/-	81,800/-
Acquisition of Foreign Company	56,99,067 /-	50,06,330/-
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	1,26,86,382/-	1,82 44,805/-



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 provision for the current year amounts to Rs 520,050/- towards deferred tax liability (Previous Year Rs.563904/- towards deferred tax Liability)
11. The vehicle loans are secured against hypothecation of the vehicles.
12. The company has issued 24,02,000 convertible Share warrants (Rs 10 each per Warrant) at Rs 13.35 per warrant amounting to Rs 3,20,66,700/- during the financial year 2007-08 against which the company has received Rs 72,06,000/- During financial Year 2007-08 and Rs 1,66,08,000/- during the current financial year
13. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 11

As per our report of even date
For **P. Murali & Co**
Chartered Accountants

For and on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
P. Murali Mohan Rao
Partner

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
M. Vijay Kumar
Director

PLACE : HYDERABAD
DATE : 02-09-2009

**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.	23119	State Code:		1
	Balance Sheet Date	31/03/2009			
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 Thounds)				
	Total Liabilities	131,537	Total Assets		129,586
	Sources of Funds				
	Paid up Capital	105,119	Reserves & Surplus		1,646
	Share Application Money	23,814	Unsecured Loans		NIL
	Secured Loans	958			
	Application of Funds				
	Net Fixed Assets	94,781	Investments		11,305
	Net Current Assets	23,250	Misc. Expenditure		250
	Accumulated Lossess	NIL			
IV	Performance of the Company (Amount in Rs. Thousands)				
	Turnover/other income	31,501	Expenditure		37,653
	Profit/loss before tax	(6,151)	Profit/loss after tax		(6,763)
	Earning per Share	-0.64	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 Ltd.

Sd/-

K. Ravi Shankar
Managing Director

Place : Hyderabad
Date : 02-09-2009

**OBJECTONE INFORMATION SYSTEMS LIMITED
CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2009**

PARTICULARS	(Rs in Lakhs)	
	2008-09	2007-08
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	-61.51	-44.74
ADJUSTMENTS FOR		
Depreciation	42.62	39.10
Loss on Sale of Fixed Assets	0.00	0.00
Preliminary & Issue Exp Written Off	2.50	2.50
Interest Expenses	2.79	1.52
Operating Profit before Working Capital Changes	-13.60	-1.62
ADJUSTMENTS FOR		
Trade & Other Receivable	-37.06	54.32
Trade Payables & Others	-51.47	49.85
Cash Generated From Operations	-102.14	102.55
Interest & Finance Charges paid	2.79	1.52
Cash flow from Extraordinary Items	0.00	0.00
Net Cash flow from Operating Activities	-104.93	101.03
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-86.02	-35.03
Sale of Fixed Assets	0.00	0.00
Investments	-4.15	-102.90
Net Cash Used in Investment Activities	-90.17	-137.93
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received against Call Money	166.08	72.06
Proceeds from Issue of Capital	0.00	0.00
Deferred Expenditure	0.00	0.00
Net Cash used in Financing Activities	166.08	72.06
NET INCREASE IN CASH & CASH EQUIVALENTS	-29.03	35.17
Cash and Cash Equivalents (Opening Balance)	39.16	3.99
Cash and Cash Equivalents (Closing Balance)	10.13	39.16

For and on behalf of the Board
ObjectOne Information Systems Ltd

Place : Hyderabad
Date : 02.09.2009

Sd/-
K Ravishankar
Managing Director

Sd/-
M. Vijay Kumar
Director

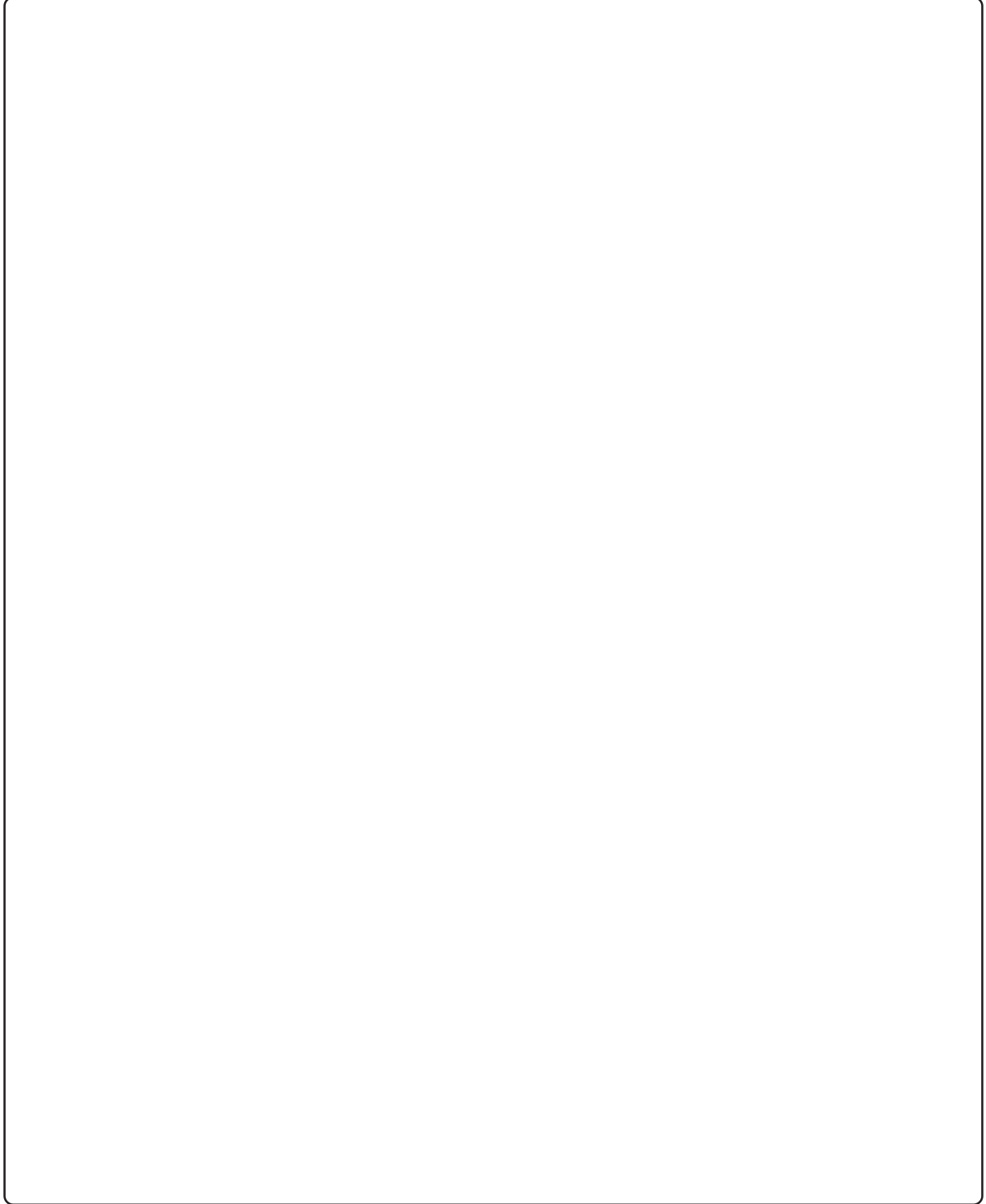
AUDITORS' CERTIFICATE

We have examined the above cash flow statement for the year ended 31st, March, 2009. 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 & Co.,
Chartered Accountants
Sd/-

Place : Hyderabad
Date : 02-09-2009

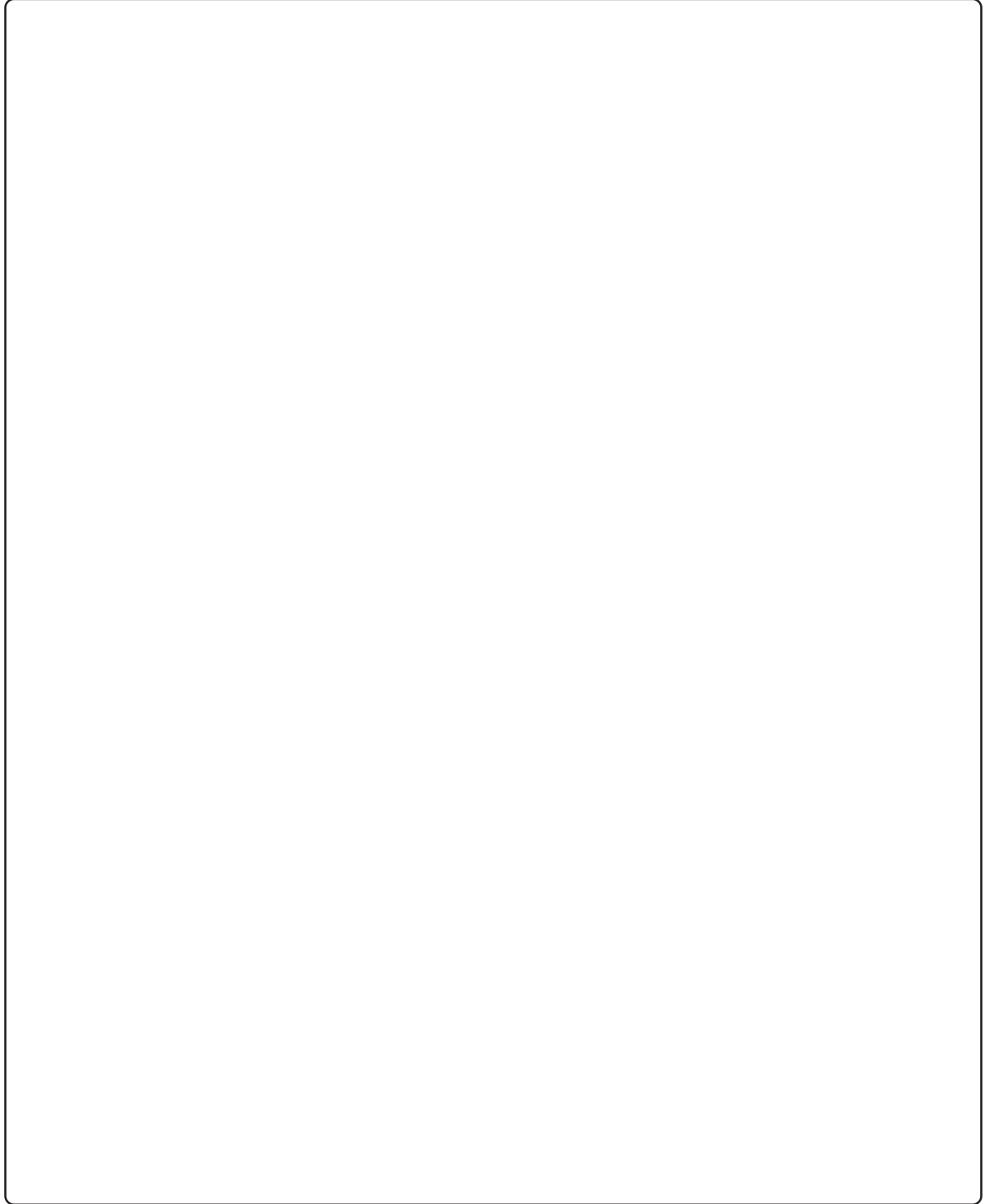
P. Murali Mohana Rao
Partner





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, 2009 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 aspects, 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, 2009. 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.

I 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, 2009.
- (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 ended on that date.
- (c) In the case of the consolidated cash flows Statement, of the consolidated Cash flows of the company and its subsidiaries for the year ended on that date.

For P. Murali & Co.,
Chartered Accountants

Sd/-
P. Murali Mohana Rao
Partner

Place : Hyderabad
Date : 02-09-2009



OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule No.	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
I SOURCES OF FUNDS:			
1. Shareholders' Funds			
a. Share Capital	1	128,933,000	112,325,000
b. Reserves and Surplus	2	10,055,862	9,874,777
c. Provision for Differed Tax		1,651,068	1,133,355
2. Minority Interest	3	222,717	143,082
3. Loan Funds			
a. Secured Loans		958,479	1,785,728
b. Unsecured Loans		559,736	559,736
TOTAL		142,380,862	125,821,678
II APPLICATION OF FUNDS:			
1. GOODWILL			
		7,095,347	6,680,000
2. FIXED ASSETS			
a. Gross Block	4	139,091,959	130,490,114
b. Less Depreciation		44,082,475	39,762,327
c. Net Block		95,009,484	90,727,787
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Sundry Debtors	5	28,944,271	22,814,281
b) Cash and Bank Balances	6	5,131,133	5,225,505
c) Loans and Advances	7	14,610,645	12,478,554
Less: Current Liabilities and Provisions	8	8,659,840	12,604,092
NET CURRENT ASSETS		40,026,209	27,914,248
4. MISCELLANEOUS EXPENDITURE	9	249,822	499,643
(to the extent not written off or adjusted)			
TOTAL		142,380,862	125,821,678

NOTES TO ACCOUNTS

11

AS PER OUR REPORT EVEN DATE
For **P MURALI & CO**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
ObjectOne Information Systems Limited

Sd/-
P. Murali Mohana Rao
Partner
PLACE : HYDERABAD
DATE : 02-09-2009

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
M. Vijay Kumar
Director



OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2009

PARTICULARS	Schedule No.	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
I INCOME			
Export Income		16,926,842	23,175,363
Domestic Income		328,362,779	71,540,477
Other Income		5,438,353	154,670
TOTAL		350,727,974	94,870,510
II EXPENDITURE			
Salaries		222,294,027	55,353,489
Operational & Administrative Expenses	10	122,502,931	34,670,943
Interest & Financial Charges		281,032	153,109
Depreciation	4	4,320,148	3,948,162
Written off Expenses		249,822	249,822
TOTAL		349,647,960	94,375,525
Profit / (Loss) Before Tax		1,080,014	494,985
Prior Period Adjustments		-	23,387
Provision for taxation		208,009	33,351
Provision for FBT		93,572	85,929
Deferred tax Liability		517,713	575,122
Profit / Loss after Tax		260,720	(222,804)
Balance Brought Forward		9,927,859	10,150,663
Minority Interest		132,717	53,082
Balance Carried Forward		10,055,862	10,097,581
Earning per share		0.083	0.044

NOTES TO ACCOUNTS

11

AS PER OUR REPORT EVEN DATE
For **P MURALI & CO**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
ObjectOne Information Systems Limited

Sd/-
P. Murali Mohana Rao
Partner
PLACE : HYDERABAD
DATE : 02-09-2009

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
M. Vijay Kumar
Director



CONSOLIDATED ACCOUNTS
Schedules forming part of the Balance Sheet

PARTICULARS	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
14000000 Equity Shares of Rs.10/- each	140,000,000	140,000,000
ISSUED, SUBSCRIBED & PAID UP:		
10511900 Equity shares of Rs.10/- each fully paid	105,119,000	105,119,000
SHARE APPLICATION MONEY:		
2402000 Convertible Warrants of Rs 10 each partly paid	23,814,000	7,206,000
	128,933,000	112,325,000
SCHEDULE 2		
RESERVES & SURPLUS		
Profit & Loss Account	9,927,859	10,150,663
Profit / Loss after Tax for the year	260,720	(222,804)
Less : Minority Interest	132,717	53,082
	10,055,862	9,874,777
SCHEDULE 3		
MINORITY INTEREST		
30% of 30000 Equity Share of 10 fully paid	90,000	90,000
add:30% of Reserves & Surplus	132,717	53,082
	222,717	143,082
SCHEDULE 5		
SUNDRY DEBTORS		
(Unsecured & considered good)		
a. Debt over a period of six months	10,226,894	4,526,160
b. Other (Less than six months)	18,717,377	18,288,121
	28,944,271	22,814,281
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on Hand	15,332	15,525
Cash with Scheduled Banks	25,254	16,650
Cash with other Banks	5,090,547	5,193,330
	5,131,133	5,225,505



CONSOLIDATED ACCOUNTS
Schedules forming part of the Balance Sheet

SCHEDULE- 4 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	ASAT 01-04-2008	Additions during the year	ASAT 31-03-2009	UPTO 31-03-2008	During the year	ASAT 31-03-2009	ASAT 31-03-2009	ASAT 31-03-2008
LEASED BUILDING	6,790,956	670,427	7,461,383	644,213	447,540	1,091,753	6,369,630	6,146,743
RIGHTS	54,860,700	-	54,860,700	-	-	-	54,860,700	54,860,700
RIGHTS	21,972,425	3,991,000	25,963,425	5,922,322	2,262,053	8,184,375	17,779,050	16,050,103
HARDWARE & SOFTWARE	29,714,034	555,676	30,269,710	28,100,198	459,998	28,560,196	1,709,514	1,613,836
FURNITURE & FITTINGS	5,834,833	38,890	5,873,723	1,772,210	370,605	2,092,815	3,780,908	4,112,623
OFFICE EQUIPMENTS	7,445,027	696,542	8,141,569	2,948,813	506,863	3,455,676	4,685,893	4,496,214
ELECTRICAL EQUIPMENTS	125,000	-	125,000	44,534	5,938	50,472	74,528	80,466
VEHICLES	3,747,139	48,068	3,795,207	380,037	255,036	635,073	3,160,134	3,367,102
KIDSONE	-	2,601,242	2,601,242	-	12,115	12,115	2,589,127	-
TOTAL	130,490,114	8,601,845	139,091,959	39,762,327	4,320,148	44,082,475	95,009,484	90,727,787



CONSOLIDATED ACCOUNTS		
Schedules forming part of the Balance Sheet		
PARTICULARS	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
SCHEDULE 7		
LOANS & ADVANCES		
Deposits	193,973	133,613
Other Advance	11,969,293	12,114,021
Wip & Finished Stock	2,447,379	230,920
	14,610,645	12,478,554
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	5,182,808	4,445,247
Creditors for Expenses	1,189,942	6,934,681
Outstanding Expenses & Provision	2,287,090	1,214,164
	8,659,840	12,604,092
SCHEDULE 9		
MISCELLANEOUS EXPENSES		
Preliminary & Share Expenses	249,822	499,643
	249,822	499,643
SCHEDULE 10		
OPERATING AND ADMINISTRATION EXPENSES		
Electricity Charges	674,304	627,109
Postage & Telephone Expenses	1,397,638	584,940
Consultancy Charges	101,284,641	16,135,189
Business Promotion Expenses	366,823	96,179
Rent, Rates & Taxes	3,127,534	1,683,226
Traveling & Conveyance	903,444	561,947
Printing & Stationary	193,231	65,474
Server Hosting charges	2,488,500	4,105,500
Repairs & Maintenance	3,102,436	2,340,707
Directors Remuneration	1,669,500	1,620,000
Auditor Remuneration	70,665	68,680
eCommerce Expenses	5,221,249	5,336,168
Other Miscellaneous Expenses	1,881,213	1,121,824
Donations	-	324,000
KidOne Expenses	121,753	-
	122,502,931	34,670,943



SCHEDULE - 11

NOTES ON CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFITAND 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 its 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 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 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 amortised over the period of 10 years.
- (iii) Public Issue Expenses are amortised 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> |
| | 16,69,500 | 16,60,000/- |

- | | | |
|--|-----------------------------------|-----------------------------------|
| 3. Auditor's Remuneration
Audit Fee | <u>Current Years (Rs.)</u> | <u>Previous Year (Rs.)</u> |
| | 70,665/- | 68,680/- |

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: | <u>Current Years (Rs.)</u> | <u>Previous Year (Rs.)</u> |
| Foreign Traveling | 85,925/- | 81,800/- |
| Acquisition of Foreign Company | 56,99,067/- | 50,06,330/- |



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	1,26,86,382/-	1,82,44,805/-

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 provision for the current year amounts to 517,713/- towards deferred tax liability (Previous Year Rs. 575,122/- towards deferred tax Liability)
11. The vehicle loans are secured against hypothecation of the vehicles.
12. The company has issued 24,02,000 convertible Share warrants (Rs 10 each per Warrant) at Rs 13.35 per warrant amounting to Rs 3,20,66,700/- during the financial year 2007-08 against which the company has received Rs 72,06,000/- During financial Year 2007-08 and Rs 1,66,08,000/- during the current financial year
13. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 11

As per our report of even date
For **P. Murali & Co**
Chartered Accountants

For and on behalf of the Board
ObjectOne Information Systems Limited

Sd/-
P. Murali Mohan Rao
Partner

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
M. Vijay Kumar
Director

PLACE : HYDERABAD
DATE : 02-09-2009

**OBJECTONE INFORMATION SYSTEMS LIMITED
CONSOLIDATED CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2009**

PARTICULARS	(Rs in Lakhs)	
	2008-09	2007-08
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	10.80	4.95
ADJUSTMENTS FOR		
Depreciation	43.20	39.48
Loss on Sale of Fixed Assets	0.00	0.00
Preliminary & Issue Exp Written Off	2.50	2.50
Interest Expenses	2.81	1.53
Operating Profit before Working Capital Changes	59.31	48.46
ADJUSTMENTS FOR		
Trade & Other Receivable	-95.74	-40.88
Trade Payables	-37.62	-0.53
Cash Generated From Operations	-74.05	7.05
Interest & Finance Charges paid	2.81	1.53
Cash flow from Extraordinary Items	0.00	0.00
Net Cash flow from Operating Activities	-76.86	5.52
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-86.02	-36.45
Sales of Fixed Assets	0.00	0.00
Investments	-4.15	-102.90
Net Cash Used in Investment Activities	-90.17	-139.35
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received against Call Money	166.08	72.06
Proceeds from Issue of Capital	0.00	0.00
Deferred Expenditure	0.00	0.00
Net Cash used in Financing Activities	166.08	72.06
NET INCREASE IN CASH & CASH EQUIVALENTS	-0.95	-61.77
Cash and Cash Equivalents (Opening Balance)	52.26	112.57
Cash and Cash Equivalents (Closing Balance)	51.31	50.80

For and on behalf of the Board
ObjectOne Information Systems Ltd

Place : Hyderabad
Date : 02.09.2009

Sd/-
K Ravishankar
Managing Director

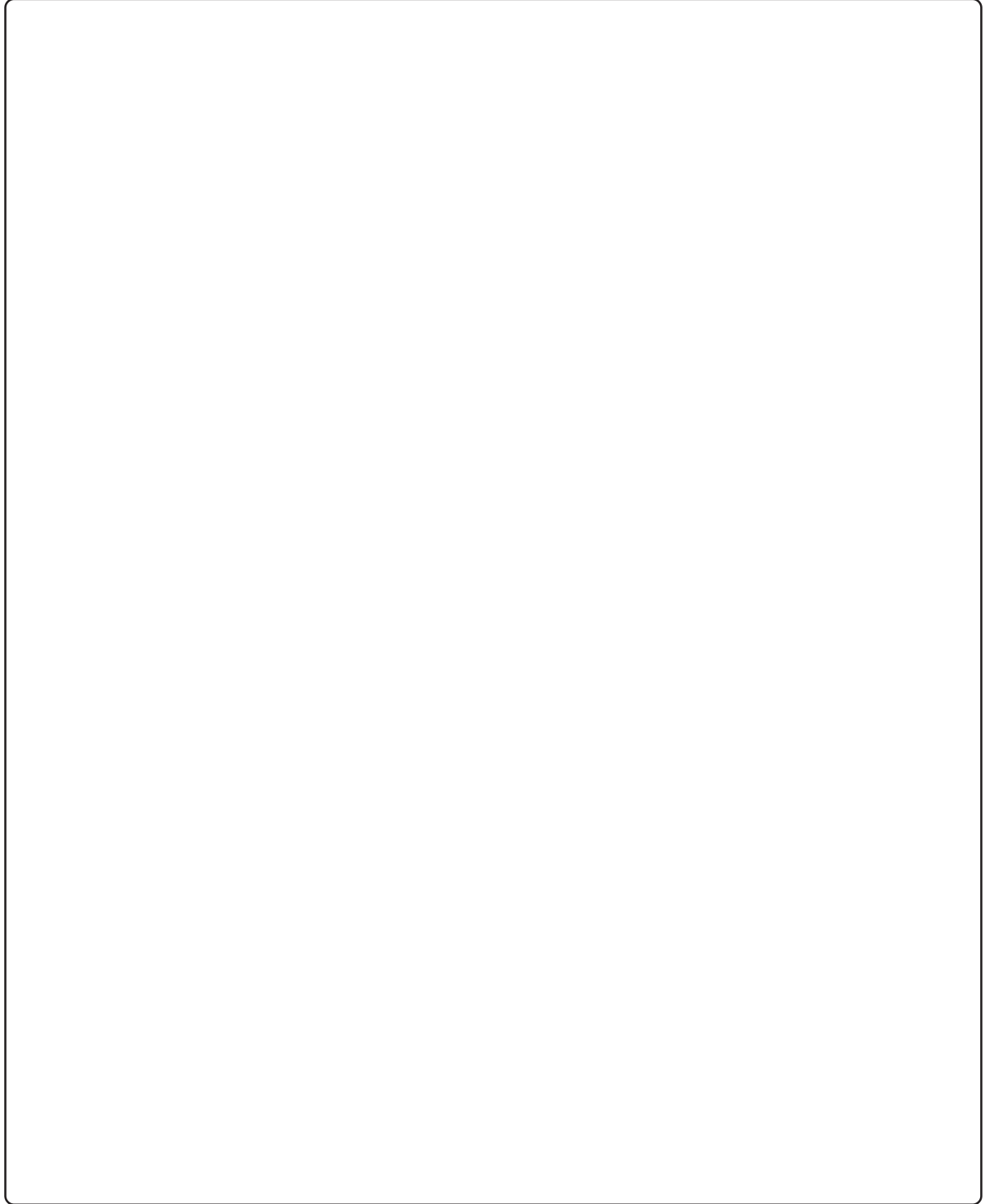
Sd/-
M. Vijay Kumar
Director

AUDITORS' CERTIFICATE

We have examined the above consolidated cash flow statement for the year ended 31st, March, 2009. 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.

Place : Hyderabad
Date : 02-09-2009

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





SUBSIDIARY COMPANY FINANCIAL STATEMENT

**22nd ANNUAL REPORT
2008-09**

INMATE CONSULTANTS PRIVATE LIMITED

BOARD OF DIRECTORS

Mr.K.Ravi Shankar	Managing Director
Smt.K.Himabindu	Director
Mr B Prasanna Srinivas	Director

BANKERS

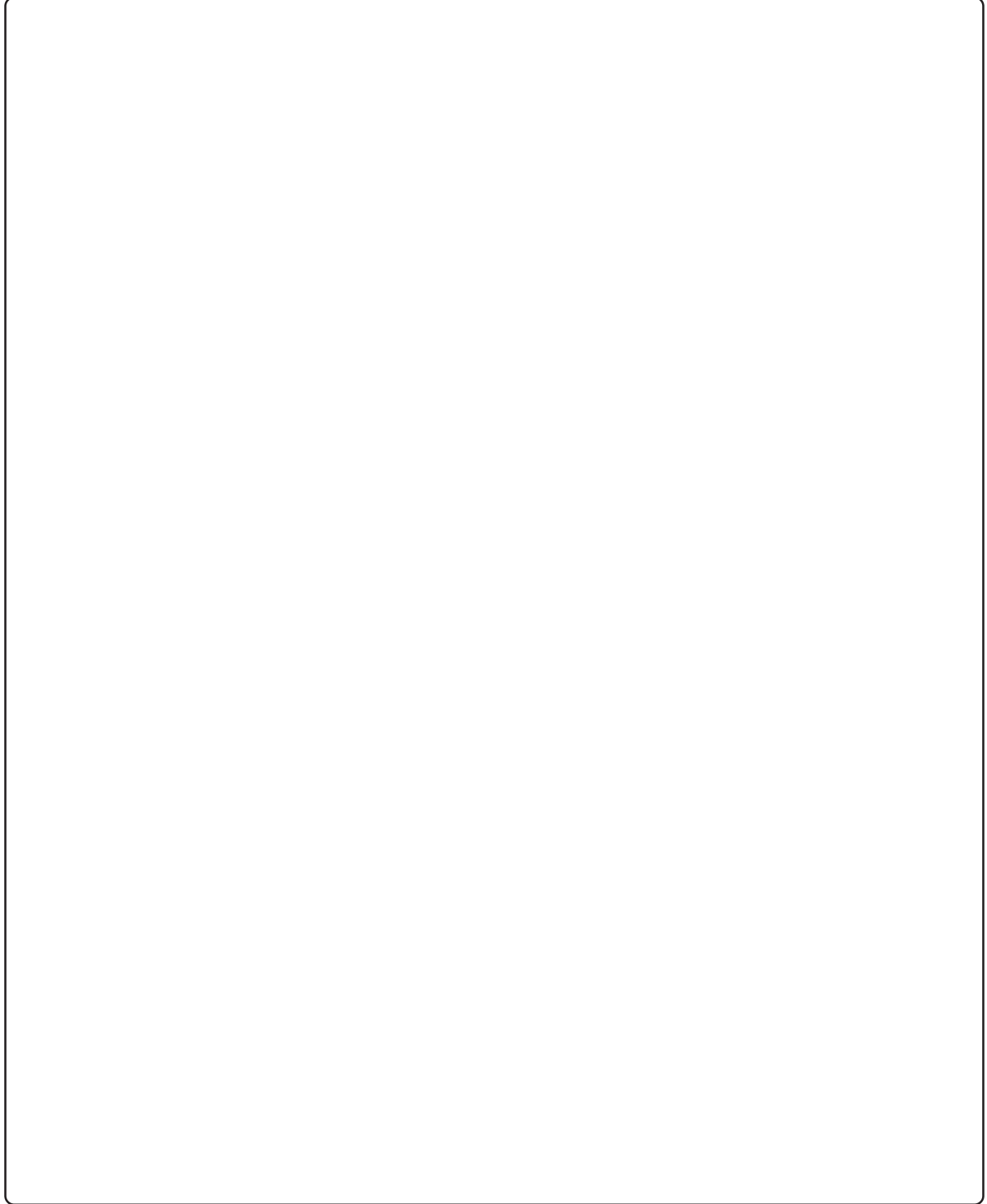
CITI BANK N.A.

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 Second Annual General Meeting of the Members of **M/s INMATE CONSULTANTS PRIVATE LIMITED** will be held Monday, the 25th September, 2009 at 10.00 A.M. at 8-3-988/34/7/2/1&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, 2009 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: 25-08-2009

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 8-3-988/34/7/2/1&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 SECOND ANNUAL REPORT together with the Audited Financial Statements of the Company for the year ended 31-03-2009

FINANCIAL RESULTS

Amount in Rupees

Particulars	2008-09	2007-08
Total Income	4987000	2581038
Net Operating Expenses	4568458	2398679
Profit before Depreciation	418542	182359
Depreciation	39880	34239
Profit before Taxation	378662	148120
Provision for Taxation	113939	33351
Provision for FBT	1611	3115
Provision for Deferred Tax	-2337	11218
Profit after Taxation	265449	100436
Profit /Loss Brought forward from previous years	176940	76504
Profit carried to the Balance Sheet	442389	176940

PERFORMANCE

Your company earned Net Profit of Rs. 2,65,449/- against the previous years' Net Profit of Rs. 1,00,436/-

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 and innovation : No technology either indigenous 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

Mr. 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 PRIVATE LIMITED

Sd/-
K Ravi Shankar
Managing Director

Sd/-
K Hima Bindu
Director

Place: Hyderabad
Date: 25-08-2009



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, 2009 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 account 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 , 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March , 2009 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, 2009;
- (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

PLACE : HYDERABAD
DATE : 25-08-2009



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. 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

PLACE : HYDERABAD
DATE : 25-08-2009

**INMATE CONSULTANTS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	Schedule No.	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
I SOURCES OF FUNDS:			
1. Shareholders' Funds			
a. Share Capital	1	300,000	300,000
b. Reserves and Surplus	2	442,389	176,940
c. Provision for Differed Tax		5,235	7,572
2. Unsecured Loan		559,736	559,736
TOTAL		1,307,360	1,044,248
II APPLICATION OF FUNDS:			
1. FIXED ASSETS			
a. Gross Block	3	526,913	526,913
b. Less Depreciation		341,999	302,119
c. Net Block		184,914	224,794
2. CURRENT ASSETS, LOANS & ADVANCES			
a) Sundry Debtors	4	-	140,500
b) Cash & Bank Balances	5	247,432	525,152
c) Loans & advances	6	2,856,656	634,897
Less: Current Liabilities and Provisions	7	1,981,642	481,095
NET CURRENT ASSETS		1,122,446	819,454
TOTAL		1,307,360	1,044,248
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 AccountantSd/-
K. RAVI SHANKAR
Managing DirectorSd/-
K. HIMABINDU
DirectorPLACE : HYDERABAD
DATE : 25-08-2009

**INMATE CONSULTANTS PRIVATE LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	Schedule No.	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
I INCOME			
Income from Software Division		3,037,000	2,457,353
Decrease/Increase in Stock		1,950,000	120,500
Other Income		-	3,185
TOTAL		4,987,000	2,581,038
II EXPENDITURE			
Salaries		391,255	594,000
Administrative Expenses	8	4,175,193	1,804,005
Interest & Financial Charges		2,010	674
Depreciation	3	39,880	34,239
TOTAL		4,608,338	2,432,918
Profit for the year		378,662	148,120
Provision for taxation		113,939	33,351
Provision for FBT		1,611	3,115
Provision for Deferred taxation		(2,337)	11,218
Profit After Tax		265,449	100,436
Balance Brought Forward		176,940	76,504
Balance Carried Forward		442,389	176,940
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 AccountantSd/-
K. RAVI SHANKAR
Managing DirectorSd/-
K. HIMABINDU
DirectorPLACE : HYDERABAD
DATE : 25-08-2009



INMATE CONSULTANTS PRIVATE LIMITED
Schedules forming part of the Balance Sheet

PARTICULARS	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
30000 Equity Shares of Rs.10/- each	300,000	300,000
ISSUED, SUBSCRIBED & PAID UP:		
30000 Equity shares of Rs.10/- each fully paid	300,000	300,000
	300,000	300,000
SCHEDULE 2		
RESERVES & SURPLUS		
Profit & Loss Account	176,940	76,504
Profit after Tax for the year	265,449	100,436
	442,389	176,940
SCHEDULE 4		
SUNDRY DEBTORS		
(Unsecured & Considered Good)		
a. Debt over a period six months	-	140,500
b. Others (Less than six months)	-	-
	-	140,500
SCHEDULE 5		
CASH & BANK BALANCES		
Cash in hand	656	8,927
Cash with other banks	246,776	516,225
	247,432	525,152
SCHEDULE 6		
LOANS, ADVANCES & WIP		
a. Deposits	9,500	9,500
b. Other Advances	666,236	394,477
c. WIP & Finished Stock	2,180,920	230,920
	2,856,656	634,897



INMATE CONSULTANTS PRIVATE LIMITED
Schedules forming part of the Balance Sheet

SCHEDULE- 3 FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	AS AT 11-04-2008	Additions during the year	AS AT 31-03-2009	UPTO 31-03-2008	During the year	AS AT 31-03-2009	AS AT 31-03-2008
DATA PROCESSING EQUIPMENT	483,828	-	483,828	293,205	37,153	153,470	190,623
FURNITURE & FITTINGS	43,085	-	43,085	8,914	2,727	31,444	34,171
TOTAL	526,913	-	526,913	302,119	39,880	184,914	224,794

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

PARTICULARS	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
Creditors for Expenses & Others	1,288,862	432,268
Outstanding Expenses & Provisions	692,780	48,827
	1,981,642	481,095
SCHEDULE 8		
OPERATING AND ADMINISTRATION EXPENSES		
Rent, Rates & Taxes	2,724	5,912
Postage & Telephones	13,557	34,378
Repairs & Maintenance	19,733	36,000
Auditors Remuneration	15,000	12,500
Traveling & Conveyance Expenses	33,190	30,115
Directors Remuneration	180,000	180,000
Software Development Charges	900,000	1500000
Other Miscellaneous Expenses	10,989	5100
Man Power Charges	3,000,000	0
	4,175,193	1,804,005



SCHEDULE – 9

NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

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 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.

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 Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
K.Hima Bindu, Director	1,80,000/-	1,80,000/-
3 Auditor's Remuneration :	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Audit Fee	12,500/-	10,000/-

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

- 6 No confirmations are obtained from debtors/creditors as to the balances receivable from/ payable to them as at year end.

- 7 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 amounts to Rs.11,218/- towards deferred income tax Liability. (Previous year Rs.10,106/-)

- 8 Previous years figures have been regrouped wherever necessary.

- 9 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

Place : Hyderabad
Date: 25-08-2009

**ADDITIONAL INFORMATION AS REQUIRED UNDER IV OF SCHEDULE VI TO
THE COMPANIES ACT 1956****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I	Registration details			
	Registration No.	7734	State Code: 01	
	Balance Sheet Date	31/03/2009		
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	1,307	Total Assets	1,306
	Sources of Funds			
	Paid up Capital	300	Reserves & Surplus	448
	Secured Loans	-	Unsecured Loans	560
	Application of Funds			
	Net Fixed Assets	184	Investments	-
	Net Current Assets	1,122	Misc. Expenditure	-
	Accumulated Losses	-		
IV	Performance of the Company (Amount in Rs. Thousands)			
	Turnover/other income	4,987	Expenditure	4,608
	Profit/loss before tax	379	Profit/loss after tax	265
	Earning per Share	8.85	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 Limited

Sd/-
K. Ravi Shankar
Managing Director

Sd/-
K.Hima Bindu
Director

Place : Hyderabad
Date: 25-08-2009

**INMATE CONSULTANTS PRIVATE LIMITED
CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2009**

PARTICULARS	(Amount in Rupees)	
	2008-09	2007-08
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	378662	148120
ADJUSTMENTS FOR		
Depreciation	39880	34239
Loss on Sale of Fixed Assets	0	0
Preliminary & Issue Exp Written Off	0	0
Interest Expenses	2010	674
Operating Profit before Working Capital Changes	420552	183033
ADJUSTMENTS FOR		
Trade & Other Receivable	-2081259	-75996
Trade Payables	1384997	259266
Cash Generated From Operations	-275710	366303
Interest & Fiancé Charges paid	2010	674
Cash flow from Extraordinary Items	0	0
Net Cash flow from Operating Activities	-277720	365629
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	-142130
Investments	0	0
Net Cash Used in Investment Activities	0	-142130
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	-277720	223499
Cash and Cash Equivalents (Opening Balance)	525152	301653
Cash and Cash Equivalents (Closing Balance)	247432	525152

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

Place : Hyderabad
Date : 25.08.2009

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, 2009. 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

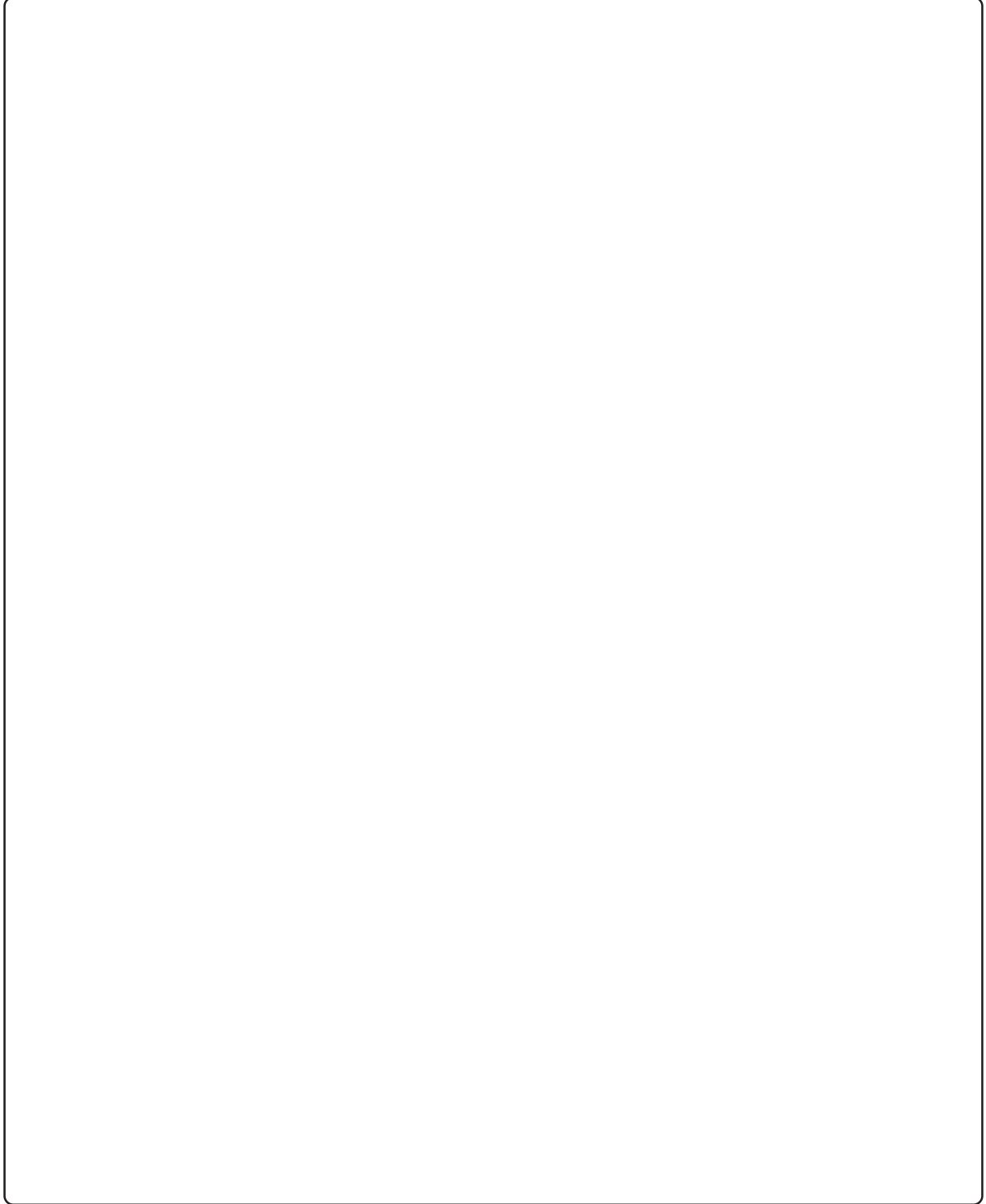
Place : Hyderabad
Date : 25-08-2009



**SUBSIDIARY COMPANY
FINANCIAL STATEMENT**

OBJECTNET TECHNOLOGIES INC.

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





OBJECTNET TECHNOLOGIES INC.
BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As at 31-03-2009 (Rupees)	As at 31-03-2008 (Rupees)
I SOURCES OF FUNDS:		
1. Shareholders' Funds		
Share Capital	4,000,000	4,000,000
Reserves & Surplus	11,697,269	4,938,678
TOTAL	<u>15,697,269</u>	<u>8,938,678</u>
II APPLICATION OF FUNDS:		
1. FIXED ASSETS		
a. Gross Block	3,638,240	3,638,240
b. Less Depreciation	3,594,647	3,576,365
c. Net Block	<u>43,593</u>	<u>61,875</u>
2. CURRENT ASSETS, LOANS & ADVANCES		
a) Cash & Bank Balances	3,870,493	784,511
b) Other Assets	11,783,183	8,092,292
NET CURRENT ASSETS	<u>15,653,676</u>	<u>8,876,803</u>
TOTAL	<u>15,697,269</u>	<u>8,938,678</u>

For **Object Net Technologies Inc.**

PLACE : ATLANTA
DATE : 17-08-2009

Sd/-
VISWANATH DASARI
Chief Executive Officer



OBJECTNET TECHNOLOGIES INC.
PROFI & LOSS ACCOUNT FOR THE QUARTER ENDED 31ST MARCH, 2009

Particulars	Year Ended 31-03-2009 (Rupees)	Quarter Ended 31-03-2008 (Rupees)
I INCOME		
Income	318,139,973	64,771,016
TOTAL	318,139,973	64771,016
II EXPENDITURE		
Salaries & Benefits	207,634,724	44,100,000
Rent, Rates & Taxes	1,435,494	252,000
Postage & Telephones	860,116	9,000
Professional & Legal	100,902,300	15,412,955
Repairs & Maintenance	128,128	30,320
Traveling & Conveyance Expenses	150,418	44,880
Other Miscellaneous Expenses	157,850	96,538
Depreciation	18,282	4,125
TOTAL	311,287,312	59,949,818
Profit for Period	6,852,661	4,821,198
Provision for Tax	94,070	-
Profit after Tax	6,758,591	4,821,198
Balance Brought Forward	4,938,678	117,480
Balance Carried Forward	11,697,269	4,938,678

For **Object Net Technologies Inc.**

PLACE : ATLANTA
DATE : 17-08-2009

Sd/-
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 13th Annual General Meeting of the
Company to be held on Tuesday 29th September, 2009 at 11.00 A.M. or at adjourned thereof.

AS WITNESS my/our hand (s) this day of 2009 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 Registred Member / Proxy for the Registered Member of the Company. I here by
record my presence at 13th Annual General Meeting of the Company held on Monday 29th Sepetmber,
2009 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.