

ideaspaceTM
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15th

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Annual Report

2007 - 08

IDEASPACE SOLUTIONS LIMITED

Regd. Office: Skip House, 25/1, Museum Road, Bangalore 560 025

BOARD OF DIRECTORS

Mr. G. Kiran Kumar

Mr. A. Subba Rao (Manager & Director)

Mr. A. S. Cherukupalli

Mr. A. P. Rao

COMPANY SECRETARY

Mr. G. V. Krishnakanth

AUDITORS

Guru & Jana

(Erstwhile known as AAGJ & Co)

Chartered Accountants

10/1, 2nd Floor, 3rd Main

Hanumanthanagar, Bangalore-560 019

REGISTERED OFFICE

Skip House

25/1, Museum Road

Bangalore 560 025

BANKERS

ING Vysya Bank Limited

SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

Plot No 17-24, Vittal Rao Nagar

Madhapur, Hyderabad-500 081

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Ideaspace Solutions Limited will be held on Tuesday, the 30th day of September, 2008 at 10.30. a.m. at Skip House, 25/1, Museum Road, Bangalore-560 025, Karnataka to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A P Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Guru & Jana (Erstwhile known as AAGJ & Co.) Chartered Accountants, Bangalore as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors
For IDEASPACE SOLUTIONS LIMITED

G V Krishnakanth
Company Secretary

Place: Bangalore

Date : August 18, 2008

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy, who need not be a Member, to attend and vote on a poll, on his behalf. The proxy forms to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**

2. Members (those holding shares in the physical form only) are requested to inform, change of address, if any, immediately to the Share Transfer Agent M/s Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to send their queries at least seven days before the date of the Meeting to the Company, so that the desired information may be made available at the Meeting.
4. Members / Proxies should fill the Attendance Slip for attending the meeting.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2001 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Information in respect of such unclaimed dividend and the due date for its transfer to the said Fund is given below:-

| Financial Year | Date of declaration of dividend | Last date for claiming unpaid dividend | Due date for transfer to IEP Fund |
|----------------|---------------------------------|--|-----------------------------------|
| 31.03.2001 | 04.08.2001 | 03.09.2008 | 03.10.2008 |

DIRECTORS' REPORT**DEAR MEMBERS,**

Your Directors have pleasure in presenting the 15th Annual Report together with the audited Balance Sheet and Profit and Loss Account of your Company for the year ended 31st March, 2008.

Financial Results

(Rupees In Lakhs)

| Particulars | March 31, 2008 | March 31, 2007 |
|----------------------------------|----------------|----------------|
| Total Income | 99.56 | 48.09 |
| Total Expenditure | 3.62 | 4.17 |
| Interest & Finance Charges | 0.02 | 0.02 |
| Depreciation | 0.23 | 0.23 |
| Profit/(Loss) before taxation | 95.69 | 43.67 |
| Provision for Taxation | | |
| - Current | 2.80 | - |
| -Deferred Tax | 0.06 | 0.17 |
| Profit/(Loss) after Tax | 92.83 | 43.50 |
| Profit/(Loss) Brought Forward | 273.86 | 230.36 |
| Balance Carried to Balance Sheet | 366.69 | 273.86 |

OPERATIONS

The Company has made a profit of Rs. 92.83 Lakhs during the financial year 2007-08 as against profit of Rs. 43.50 Lakhs during the previous year.

FUTURE OUTLOOK

Company is reviewing various business options in the area of Business Process Outsourcing (BPO), Business Process Management (BPM) and in Information Technology Enabled Services (ITES).

FIXED DEPOSITS

During the year under review, the Company had not accepted any deposits from public.

DIVIDEND

Your Directors have not recommended any dividend for the F Y 2007-08.

DIRECTORS

Mr. A P Rao, Director of the company retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s Guru & Jana (Erstwhile known as AAGJ & Co), Chartered Accountants, the Statutory Auditors of the company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received letter from them to the effect that their re-appointment, if made, would be within prescribed limits under Section 224(IB) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, the Directors hereby confirm that:

1. in the preparation of the annual accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year ended 31st March, 2008;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the accounts for the financial year ended 31st March 2008 on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continued support and trust received and reposed by the Shareholders, Bankers, National Securities Depository Limited and Central Depository Services (India) Limited and various statutory authorities.

For and on behalf of the Board

Sd/-

A.Subba Rao
Director

Sd/-

A. S. Cherukupalli
Director

Place: Bangalore

Date: August 18, 2008

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year 2007-08.

THE PARTICULARS AS REQUIRED UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Company is not engaged in any manufacturing activity and hence furnishing of particulars is not applicable to the company. The details of Foreign Exchange earnings and outgo during the year under review are as under:

Earnings - Nil

Outgo - Nil

Auditors' Report

To
The Members,
Ideaspac Solutions Limited.

We have audited the attached Balance Sheet of **M/s Ideaspac Solutions Limited**, as at 31st March 2008, the Profit and Loss Account and also Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008; and
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - iii) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

For Guru & Jana
 (Erstwhile known as AAGJ & Co.,)
Chartered Accountants

Sd/-
M. Surendra Reddy
Partner
M.No: 215205

Place: Bangalore
 Date: August 18, 2008