

Annual Report *2010-2011*



ORG INFORMATICS LIMITED
(An ISO 9001 : 2008 Company)

BOARD OF DIRECTORS

Mr. B.V. Suryakumar
Managing Director

Mrs. Binu Mehta
Independent Director

Mr. R.L. Dube
Independent Director

Mr. Ketan K. Adhvaryu
Independent Director

Auditors

M/s Sorab S. Engineer & Co.,
Chartered Accountants
ISMILE Building, 381,
Dr.D. Naoroji Road,
Fort, Mumbai-400 001,

Regd. Office:

3rd Floor, "Abhishek",
Akshar Chowk,
Old Padra Road,
Vadodara 390 020.

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Supporting to MCA's green initiative in Corporat governance, Members of the company are hereby requested to register / update their email addresses by sending their details with e-mail address to gogreen@orgltd.com.

ORG Informatics Limited

Regd. Office: 3rd Floor, "Abhishek", Akshar Chowk, Old Padra Road, Vadodara 390 020.

Notice

Notice is hereby given to shareholders to call adjourned Thirty fifth Annual General Meeting of the Company on Tuesday the 1st day of November, 2011 at 11.00 A.M. at Vanijya Bhavan, Race Course, Vadodara to transact the following business, which was not transacted in the Annual General Meeting held on 30th September, 2011 due to non availability of Audited financial statements:

Ordinary business:**Item 1**

To receive, consider and adopt the Audited Profit and Loss Account for the year ended on March 31st, 2011 and the Balance Sheet of the Company as of that date together with Reports of the Board of Directors and Auditors thereon.

By Order of the Board of Directors,

Place: Vadodara
Date :05th October, 2011,

Vinod Negi
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
- Shareholders holding the shares in Electronic form are requested to bring their Client ID and DPID at the meeting for easy identification.
- The Ministry of Corporate Affairs (MCA) vide Circular No. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to share documents with its Shareholders through electronic mode. Therefore, Members of the Company are requested to support this "Green Initiative in Corporate Governance" of MCA by Registering/Updating their e-mail addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the M/s MAS Services Limited, New Delhi, the Registrar & Share Transfer Agent (RTA) of the Company. The details of RTA are annexed herein after.*

Inspection of Documents

All the documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during the business hours on all working days (except Saturdays) till the date of meeting.

By order of the Board of Directors,

Place : Vadodara
Date :05th October, 2011,

Vinod Negi
Company Secretary

Directors' Report**To the Members,**

Your Directors submits the Annual Report of the Company along with the Audited Statement of Accounts for the financial year ended on 31.3.2011.

1. Financial Results

The Financial Results of the Company on Consolidated basis are summarized hereunder :-

Particulars	2010-11 TRs.	2009-10 TRs.
Income	1,657,929	2,130,764
Expenditure	1,545,787	1,935,962
Gross Profit	112,142	194,802
Interest and Fixed Financial Charges	41,718	166,294
Depreciation & Amortization	115,019	120,908
Tax	10,132	38,160
Prior Period Adjustments	-	-
Net Profit	(54,727)	(130,560)

2. Dividends

Based on the Company's performance and considering the losses incurred by the Company in the previous financial years, your Directors do not recommend payment of dividend for this financial year.

3. Transfer to Reserves

Considering the performance of the Company in the year under review, the Board of Directors do recommend the amount of TRs. 634 for transfer to Bond Redemption reserve as required under section 117C of the Companies Act, 1956 read with General Circular No. 9/2000 dated 18.2000, However the Board do not recommend any amount to transfer to General Reserve.

4. Company's Performance

There is marginal improvement in the Company's performance during the year under review on standalone basis from the stage as reported in the Director's Report dated 18th August, 2011 and Director's Report dated 03rd September, 2011 for the financial year ended on 31st March, 2009 and financial Year ended on 31st March, 2010 respectively. The company has achieved consolidated revenue of TRs.1,657,929 and incurred losses of TRs. 54,727 against revenue of TRs. 2,130,764 and incurred Losses of TRs. 130,560 during the previous year.

The caused delay in finalization of Annual accounts for the year under review is substantially due to the delay in finalization of financial statements of the company for the financial years 2008-09 and 2009-10 (due to the reasons mentioned in the report for said period) which were completed on 3rd September, 2011 only.

The Board is now concentrating on completion of the delayed large System Integration projects to maintain business continuum, to develop customer confidence and to generate new System Integration and services business. We are now able to achieve major project

milestones and expect to close the ongoing projects very soon so that old pending receivable may be collected and cash flow situation may eased. New business acquisition is a challenge given the cash flow situation which led to foregoing some new business in the recent past.

The Company is parallelly pursuing restructuring of Bank liabilities and amicable settlement with vendors.

5. Subsidiaries

The company has four Wholly Owned Subsidiary Companies namely, Belgium Satellite Services S.A. (Belgium), Unified Technologies Pvt. Ltd., ORG Telecom Ltd., ORG Singapore Pte. Ltd.

- a) The **Belgium Satellite Services, S.A. (BSS)** has achieved the revenue of EURO 20.09 million equivalent to INR 127.27 Cr. and incurred marginal operational loss of EURO 0.02 million equivalent to INR 0.16 Cr. The company is performing well and will achieve new benchmarks in the time to come.
- b) **Unified Technologies Pvt. Ltd. (TECHUNIFIED)** the revenue generated by the company during the year under review is Rs.21.91 Lakhs and incurred losses of Rs.29.19 Lakhs. As reported earlier the Management is focusing on reorganizing the company's operations around its product portfolio and also diversifying into IT enabled services.
- c) **ORG Telecom Ltd. (OTL):** OTL is now our follow on subsidiary company as it become the subsidiary of BSS with effect from the financial year under review. The company has generated revenue of Rs.104.35 Lakhs and incurred losses of Rs.258.94 Lakhs. However as reported earlier BSS is now focusing on satellite services business opportunity in India through OTL as Special purpose vehicle.
- d) **ORG Singapore Pte. Ltd. (ORG Singapore):** There are no business operations during the financial year under review in the company. However your company is trying to explore the new business opportunity for this subsidiary like offshore IT enabled services etc.

6. Employees Stock Options Scheme (ESOS) :

Pursuant to permission granted by the shareholders of the Company to issue Shares under ESOS to its employees, your Board of Directors has formed an ESOS Committee, with its current members consisting of Mr. B.V. Suryakumar, Mr. R.L. Dube and Mr. Ketan K. Adhvaryu, Directors of the Company.

Pursuant to the ESOS Scheme framed by the Company in accordance with the approval obtained from shareholders vide resolution dated August 30, 2003, the Company has got in-principle approval for issuance of 1176000 equity shares from the Stock Exchange, Mumbai. These shares could be issued by the ESOS Committee from time to time in accordance with the Scheme and SEBI Guidelines. The said ESOS Scheme was extended to the employees of Subsidiary Company i.e. ORG Telecom Ltd. also vide Special Resolution passed by the shareholders of the Company in their Annual General Meeting held on 30.8.2005.

Following disclosures are being made in respect of the present ESOS Schemes and Options allotted pursuant thereto as per the requirement of Clause 12.1 of the SEBI (ESOS & ESPS) Guidelines, 1999:-

	ESOS-II* (2005)**	ESOS-III* (2006)**
(I) Optional Granted\	2,93,000 to be vested over a period of 4 years equally at the rate of 25% each year	4,46,000 to be vested over a period of 4 years equally at the rate of 25% each year
(II) Pricing Formula	Par value of the share which is Rs. 10/- or Average of Weekly High and Low of the closing price of the share quoted on the National Stock Exchange of India Limited or Bombay Stock Exchange Limited where number of trading quantity of shares are higher during the period of last two months or as may be thinks fit by the ESOS Committee.	Par value of the share which is Rs. 10/- or Average of Weekly High and Low of the closing price of the share quoted on the National Stock Exchange of India Limited or Bombay Stock Exchange Limited where number of trading quantity of shares are higher during the period of last two months or as may be thinks fit by the ESOS Committee.
(III) Total Options Vested	2,38,475	2,79,250
(IV) Total Option Exercised	82,275	50,625
(V) Total No. of Shares as a result of exercise of Options.	82,275	50,625
(VI) Total Option carried to next year	20,250	45,000
(VII) Total Options Lapsed	1,90,475	3,50,375
(VIII) Variation of terms of Options	N.A. except inclusion of Subsidiary of employees of the Company (ORG Telecom Limited) and revision in Pricing Formula.	N.A. except inclusion of employees of Subsidiary of the Company (ORG Telecom Limited) and revision in Pricing Formula.
(IX) Money realized by exercise of Options	Rs.41,13,750/-	Rs.31,38,750/-
(X) Total number of Options approved by Stock Exchanges under the Scheme.	11,76,000	11,76,000
(XI) Employee wise Details of Options :		
(a) Granted to Senior Management	2,04,000	4,46,000
(b) No. of Employees Receiving 5% or more of Options out of the total Option granted in that year.	16	13

*Now, the 4 years vesting of Options under this tranches have been completed.

** During the year under report, no option was exercised by any of the employees out of their carried forward Options.

7. Directors

Mr. Manoj Gupta, Managing Director of the company, who was appointed on 18th August, 2009 has resigned on 19th August, 2010 and then Board has appointed Mr. BV Suryakumar as Managing Director initially for a period of one (1) year with effect from August 19th, 2010 and reappointed now for another two (2) years, subject to approval of shareholders and Statutory Authorities.

The brief of changes in the non executive Directors of the Company during the period from 1.4.2010 to till date are as given below:

Sr. No.	Name of Directors	Designation	Date of Appointment	Date of Resignation /Change of Designation	Remarks
1	Mr. Kalyan Mazumder	Director	06.11.2009	21.06.2010	Resignation
2	Brig. Jagjit Singh Ahuja	Director	18.08.2009	01.08.2010	Resignation
3	Mr. Kartikeya V. Sarabhai	Director	22.01.2007	11.04.2011	Resignation
4	Mr. Sushil Kumar Chaturvedi*	CEO & WTD	18.08.2009	12.05.2011	Resignation
5	Mr. B.V. Suryakumar	Managing Director	19.08.2010	Continuing	
6	Mr. R.L. Dube	Director	06.07.2007	Continuing	
7	Ms. Binu Mehta	Director	19.08.2010	Continuing	
8	Mr. Anmol Krishan Sekhri	Additional Director	12.05.2011	30.9.2011	Ceased
9	Mr. Ompal Singh Chadha	Additional Director	12.05.2011	30.9.2011	Ceased
10	Mr. Ketan K. Adhvaryu	Director	03.08.2011	Continuing	

Note : Mr. Sushil Kumar Chatruvedi continues as Chief Executive Officer of the Company.

Mrs. Binu Mehta and Mr. R.L. Dube retire by rotation and being eligible offer themselves for re-appointment has been reappointed in the thirty fifth Annual General Meeting, 2011 held on 30th September, 2011.

8. Auditor's and Auditor's Report

The Sorab S. Engineer & Co., Chartered Accountants, who are the Statutory Auditors of the company, retires on the conclusion of Annual General Meeting, 2011 and are reappointed as Statutory Auditors of the company till the conclusion of next Annual General Meeting.

The attached Auditor's Report to the members of the company for the period under review is self explanatory except Clauses referred herein below with clarifications/ comments of the board on the same for the consideration of the members.

Clauses of Auditor's Report:

Clause-4: With respect to the contingent liabilities not provided for, the Board is of the view that all the items report are not required to make any provisions as the same are either subjudic, project milestone achieved or appeal preferred etc. as the case may be. Regarding cash crunch problem and redressal of the same kindly refer Point-4 of this Report above.

Clause-5 (i): The provision of Rs.161,700 made for fall in value of Investment in Unified Technologies Pvt. Ltd. was

because this Software Development Company has suffered severely during the economic meltdown. Majority of employees had left the company. The Management is now focusing on reorganizing the company's operations around its product portfolio and also diversifying into IT enabled services.

Clause-5(ii): Kindly refer Note No7, of the Notes to Accounts, schedule-22 of the balance Sheet for clarification on the reported item.

Clause-5(iii): The Board is of the view that considering the business relationship with the such sundry debtors, the same is recoverable, may be with some reasonable deductions, which can not be ascertained at this stage.

Clause-5(iv): The balance confirmation for Banks account in Afganistan, where company was handing project during the year 2004-05 could not be obtained.

Clause-5 (v): The Company has taken all appropriate action to recover/adjust the reported amount from vendors, business associate companies.

Clause-5(vi): The Board is of the view, that there is possibility of set off of carry forward CENVAT in future but this may be carry forward to the extent permitted by the provision of relevant Act. Kindly refer Note 10(a) of the Notes to Accounts, Schedule-22 of the Balance Sheet.

Clause-5(vii): The High Court of MP has passed the Order, quashing the decision of MPSEDC to encash Tender Security submitted by the company. However the Court has given an opportunity to MPSEDC to issue a show cause Notice to the company before refund of such tender security and such show cause notice has been served to the company which has been replied by the company within the time provided. The Management is hopeful to recover said amount of TRs.25000 from MPSEDC.

Clause-5(viii): Kindly refer Note No. 9, of the Notes to Accounts, schedule-22 of the balance Sheet for clarification on the reported item.

Clause-5(ix): During the year under review, with the approval of shareholders, subject to approval of Statutory Authorities, the company has appointed Mr. BV Suryakumar as New Managing Director after resignation of Mr. Manoj Gupta as Managing Director on 19th August, 2010. The required statutory approval will be taken on removal of procedural constraints faced by the company with the Ministry of Corporate Affairs (online filing with MCA21). For further clarification kindly refer Note No20.

Clause-5(x): The Management of the company in consultation with the Board and Audit committee are of the view that no provisions be made for the items reported there .Wherever appropriate they have been disclosed in the Contingent liabilities. Kindly refer relevant Note in the Notes to accounts for further clarification.

Clause-6(iv) Kindly refer Note-7, 9 and 10 of the Notes to accounts, Schedule-22 of the Balance Sheet for clarification on the reported Items.

Clauses of Annexure of Auditor's Report:

Clause-1&2: Considering the nature of business of the company, its not possible to physically verify the Inventories, Stock spare etc. at clients site.

Clause 3(b): Interest free loan is given to its wholly owned

subsidiary companies only. The company is negotiating with suppliers to waive off the interest and commission claim made by them.

Clause-4 & 7: "The Board of Directors has noted the observation of the Auditors that the internal audit & control was not commensurate with the size and nature of the Company's business. The Board submitted that due to severe cash crunch in the company it could not do during last financial years and assures the members that immediate step will be taken to ensure that the internal audit & control will be commensurate with the business operation of the Company."

9. General

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is appended herewith and forms part of this report.

There were No employees who withdrawn the remuneration, during the financial year under review, exceeding the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

10. Directors' Responsibility Statement

Your Directors confirm that:-

- (i) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have 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 of the company for that period;
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- (iv) The directors have prepared the annual accounts on a going concern basis.

11. Corporate Governance

The Report on Corporate Governance as required under Clause 49 of the Listing Agreement is given as an **Annexure-II** to this Report. A Certificate from Practicing Company Secretaries regarding compliance of applicable conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also attached to this report.

12. Acknowledgements

The Board records its appreciation of the support which the Company has received from its bankers, customers, government organizations, overseas strategic alliance partners, staff and employees. The Board also

appreciates the confidence reposed by the shareholders in the Company and its management.

For and on behalf of the Board of Directors

B.V. Suryakumar
Managing Director

Binu Mehta
Director

Vadobara
October 5, 2011

Annexure to the Directors' Report

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

CONSERVATION OF ENERGY :

Although the Computer Services Industry as such is not an energy intensive industry, effort are being made continuously by the Company for the conservation of energy through improved operational methods and other means.

Form of Disclosure of Particulars with respect to Absorption of Technology, Research & Development (R&D).

FORM B

- | | |
|---|------------------|
| 1. Research & Development | : Not Applicable |
| 2. Foreign Exchange earnings/ Outgoings | : Rs. (TRs.) |
| Foreign Exchange Inflow | : 28,357 |
| Foreign Exchange Outflow | : 21,655 |

Annexure-I

Management Discussion and Analysis Report:

Introduction

ORG is currently engaged in the business of Telecom/IT Systems Integration, Managed Services, Satellite Communications, Software Services including AMC/FMS Services in IT and Telecom sector. The Company has been able to maintain its position as a major player in System Integration business in Government Domain with dominant market share for turnkey projects and make forays in satellite domain and content delivery. Major System Integration Projects have progressed to customers satisfaction resulting in Repeat business and extension of AMC and FMS contracts.

While the impact of Global recession has been profound on domestic front, however ORG was insulated to some extent due to lower dependence on export business. However the company had to face severe cash crunch resulting in cash flow issues putting a strain on acquisition of new business. But ORG due to its resilience and dedicated staff managed to survive the crisis and focused on completing the ongoing contracts.

Business Vertical REVIEW

Telecom/IT Systems Integration & Services :

Industry structure and Developments:

Indian economy was not insulated from the ramifications of Global meltdown, however Telecom vertical has been showing sustained growth and there is increased awareness that

Telecom/IT are growth engines to boost productivity and competitiveness in the Industry. Government has realized rightfully and taken initiatives for using Technology to empower citizens through E- Governance, which has resulted in increased Telecom /IT spending by Corporate and Government sector alike. Governments E- Governance program has laid increased emphasis on the turnkey solution requirements, which has resulted in increased deployment of computing infrastructure and networks. A significant trend was increase in Data centers, Connectivity, and the last mile solutions. These have been historically the skill sets of ORG. Thankfully these initiatives of Government and Corporate sector together have opened up tremendous opportunities for System Integrators and Service providers.

Opportunities and Threats:

The initiatives taken by Government and Corporate sector and renewed emphasis on expanding IT/Telecom infrastructure to rural areas provide ideal target market for the company, which is historically established in the above space. The renewed emphasis and consolidation among its client base provides company an exciting opportunity to be able to expand its business and target higher profitability.

Outlook :

The Company had embarked on consolidating its position by focusing on acquiring in house skill sets ,solutions and service provision during the year which has resulted in acceptance of company as a one stop solution provider which is evident from the repeat business the company is able to attract and win. The new opportunities have promised a larger market share for the company.

Risks and Concerns:

Telecom/IT sector in India has multiple players both domestic and international operating in the market. There are continued competitive pressures on margins and sales. Additionally, cash flow remains a major constraint as ORG's ability to secure and execute large project profitably.

Telecom :

Industry Structure and Developments

Telecom sector in Indian Subcontinent, CIS, Africa and South East Asia continue to be under tremendous growth stage. With the Government initiative and Corporate emphasis has fuelled technological advances and newer service offerings there is a renewed growth in the systems requirement for servicing the growth. The main impetus is from the subscriber growth being witnessed in these markets which is driving the growth for equipments and services.

Opportunity & Threats

Increasing public and private investment for satellite services in broadcasting services (TV, Mobile Earth, Fixed Earth solution), Teleport Services (Carrier SCPC etc.) and SATCOM (Telecom conversion). Belgium Satellite Services SA (BSS) being among the top satellite service provider worldwide will be able to exploit these opportunities.

Outlook

The Company has major projects under execution phase and is pitching for diversification in private sector with emphasis on scaling services business. Telecom segment and Services

offering have shown tremendous growth and is on path to much higher numbers.

Risk and Concerns

Increase in opportunities in Telecom/IT segment has attracted global solution providers and increased number of domestic players which has resulted in increase competition and lower margins. Additionally, cash flow remains a major constraint as ORG's ability to secure and execute large project profitably.

Satellite Services :

Industry Structure and Developments

Satellite services industry cover broadcast teleport services, SATCOM (Telecom conversions) and satellite teleport services. Satellite services market to reach amount USD14.8 billion by 2019 and more than 1200 satellites are expected to be launched in next 10 years. With proliferation of HD and Digital TV the Broadcasting services as an area is looking up Europe's industry is well placed to exploit these opportunities with numerous world cast broadcasters.

Opportunity & Threats

Increasing public and private investment for satellite services in broadcasting services (TV, Mobile Earth, Fixed Earth solution), Teleport Services (Carrier SCPC etc.) and SATCOM (Telecom conversion).

Belgium Satellite Services SA (BSS) being among the top satellite service provider worldwide will be able to exploit the opportunities.

Outlook

The Company has plan for expansion and strengthen the penetration to increase the subscriber base within the Belgium and PAN Europe. The company has robust business plan to concentrate on customer satisfaction, explore business opportunities in Africa, strengthen tie with Asian Channels and market share maximization. BSS expects significant business growth with sustain profit margins.

Risk and Concerns

The major concern for the company is completion on bandwidth pricing and advancement in Technologies. Hence the Company is planning to concentrate on quality of services at competitive pricing.

Software Services

Industry Structure and Developments

Software development and services has been and remains the key driving force in deploying IT services. It has gained impetus from the initiative taken by the Government for rolling out E-Governance solutions and Corporate initiative of increasing efficiency and productivity in business. The BFSI segment is gaining impetus with more and more financial solutions using IT domain to provide services to ever expanding customer base both in Urban and Rural India. Immense opportunities are opening up in Global markets by way of outsourced software development.

Opportunity & Threats

The Software services business of the company has being carried out through its wholly owned subsidiary "Tech Unified", Which is a new venture for the company and started

its operation in the third quarter of the fiscal year ended March, 2008. The company is making its strategy to grab the opportunities available within the Middle East and domestic markets focusing in BFSI segment.

Outlook

The Company has plans for diversifying and building BPO business and providing managed services for software solutions. We envisage seeing some significant revenue growth and increasing in profit margin through this segment of business, as it compliments the Services business of ORG in Telecom/IT domain. The jobs which were outsourced earlier can now be undertaken in house thereby providing one stop solution.

Risk and Concerns

According to Industry reports new players are emerging in this segment both domestic and Global. There is increased pitch of developed countries not to outsource to ensure in house jobs is basically the risk and concern for the Companies business under the segment.

Annexure-II

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

I. Corporate Governance Philosophy:

The primary objective of good Corporate Governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities and identify opportunities that best serves the goal of value creation. Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder - our customers, employees, investors, vendor-partners, the governments of the countries in which we operate, and the community. Thus, corporate governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values.

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

- To satisfy the spirit of the law and not just the letter of the law;
- Corporate governance standards should go beyond the law ;
- Be transparent and maintain a high degree of disclosure levels;
- When in doubt, disclose;
- Make a clear distinction between personal conveniences and corporate resources ;
- Communicate externally, in a truthful manner, about how the Company is run internally;

- Comply with the laws in all the countries in which the Company operates ;
- have a simple and transparent corporate structure driven solely by business needs ;
- Management is the trustee of the shareholders' capital and not the owner .

Your company remains committed to achieving these objects. Given below is the report on corporate governance at ORG Informatics Limited.

II Board of Directors :

As on 31.3.2011, the Board of Directors of the Company comprises of Five Directors of whom two are Executives and three are Non-Executive Directors. The Company is professionally managed and its Board, which oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. Our Board of Directors comprises of professionally qualified Directors who have rich experience in the field of Management, Information Technology, Telecommunications and Finance.

(a) Composition of Board* :

The names, Categories of the Directors on the Board, number of Directorships and Committee Position held by them in other companies, attendance of Directors at Board Meetings during the year under review and the last Annual General Meeting are given below:

Name of Directors	Category	Number of Board Meeting during the year 2010-11		Whether attended last AGM held on 30.09.2010	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies**	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. Sushil Kumar Chaturvedi	Executive Director	5	5	YES	—	—	—	—
Mr. B.V. Suryakumar***	Executive-Director	5	5	YES	—	5	—	1
Mr. Kartikeya V. Sarabhai	Non-Executive-Independent	5	4	YES	—	1	—	1
Mr. R.L. Dube	Independent Director	5	3	NO	—	1	—	—
Mrs. Binu Mehta****	Independent Director	5	4	NO	—	2	—	—

* All changes in Directorship post 31st March, 2011 have been reported in the Director's Report only.

** In accordance with Clause 49 of the Listing Agreement, memberships of only the Audit Committee and Shareholders' / Investors' Grievance Committees of Public Limited Companies have been considered.

*** Appointed as Managing Director of the Company with effect from 19.8.2010 for a period of One (1) year. Before this he was non-executive director of the Company. He has been re-appointed as Managing Director for another term of two (2) years in the meeting of the shareholders of the Company held on 30.09.2011.

**** Appointed as Director of the Company with effect from 19.8.2010.

No. and date of Board Meetings:-

Five Board Meetings were held during the year 2010-2011 on the following dates.

28.5.2010, 19.08.2010, 04.09.2010, 07.12.2010, and 03.03.2011.

(b) Code of Business Conduct and Ethics for Directors and Senior Management.

The Board of Directors of the Company by Circular Resolution dated 1.12.2005 passed by them, has adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the code').

A copy of the Code has been put on the Website of the Company i.e. www.orgltd.com

The Code has been circulated to all the members of the Board and Senior Management and the Compliance of the same has been affirmed by them. A declaration signed by the CEO of the Company is given below :

(c) DECLARATION.

I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2010-2011.

For ORG Informatics Limited,

sd/-

Sushil Kumar Chaturvedi
Chief Executive Officer
August 16, 2011
New Delhi,

(d) Certification by the Managing Director:

Mr. B.V. Suryakumar, Managing Director of the Company has issued a Certificate to the Board on the lines of sub-clause V of Clause 49 of the Listing Agreement in connection with the Financial Statements and Cash Flow Statement etc. for the year 2010-11.

The said Certificates was placed before the Board Meeting held on 5th October, 2011 and were recorded thereat.

III. Audit Committee :

- 1) The Audit Committee of the Company is constituted in line with the provisions of the Clause 49 of the Listing Agreement with Stock Exchange read with Section 292A of the Companies Act, 1956.
- 2) The term of reference of the Audit Committee are broadly the same as suggested under the Listing agreement entered into between the company and Stock Exchanges.
- 3) The Audit Committee invites such of executives, as it considers appropriate (particularly finance head), representatives of the Statutory Auditors to be present at its meeting. The Company Secretary acts as the Secretary to the Audit Committee.
- 4) During the financial year under review, five Audit Committee meetings were held on the 28.5.2010,

18.8.2010, 4.9.2010, 7.12.2010 and 3.3.2011. The composition of the Audit Committee and the details of meetings held and attended by its members are given hereunder :

Name of Member	Designation	No. of Meeting Held	Attended
Mrs. Binu Mehta	Chairman-Independent Director	5	3
Mr. B.V. Suryakumar	Member - Executive Director	5	2
Mr. Kartikeya V. Sarabhai	Member-Non-Executive-Non-Independent	5	3
Mr. R.L. Dube	Member-Independent Director	5	2
Brig. J. S. Ahuja	Member-Independent Director	5	4

Attendance and Quorum : During the financial year ended 31st March, 2011, five meetings of the committee were held and out of five meetings, four were attended by two members and one meeting was attended by three members.

IV. Shareholders' / Investors' Grievance Committee:

During the financial year under review, the Shareholders' / Investors' Grievance Committee Meeting was held only one on 28.05.2010 and was comprises of following Directors :

Name of Member	Designation	No. of Meeting Held	Attended
Mr. B.V. Suryakumar	Chairman	1	1
Brig. J. S. Ahuja	Member	1	1
Mr. Sushil Kumar Chaturvedi	Member	1	1
Mr. Kartikeya V. Sarabhai	Member	1	1
Mr. Manoj Gupta	Member	1	1

It was reported in the meeting that 11 complaints were received by the Company from the Shareholders have been amicably resolved by the Company.

V. Remuneration Committee :

During the financial year under review, the Remuneration Committee Meeting was held one time on 4.9.2010 and was comprises of following Directors :

Name of Member	Designation	No. of Meeting Held	Attended
Mr. Kartikeya V. Sarabhai	Chairman	1	1
Mr. R. L. Dube	Member	1	1
Mrs. Binu Mehta	Member	1	1

The meetings of the Remuneration Committee was held on 4.9.2010 where all the then members were present. Agreement between the Company and Managing Director was reviewed in this meeting.

Details of Remuneration and sitting fee paid to Directors during the financial year 2010-11.

S. No.	Name of Directors	Relationship with other Directors	Sitting Fees for Board & Committee Meeting 2010-11 Rs.	Salaries & Perquisites (Incl. P.F. Super Annuation & Grantuity 2010-11 Rs.	Commission 2010-11 Rs.	Total 2010-11 Rs.
1.	Mr. Kartikeya V. Sarabhai	None	30,000	Nil	Nil	30,000
2.	Mr. B. V. Suryakumar*	None	11,000	1,854,839	Nil	1,865,839
3.	Mr. Manoj Gupta**	None	Nil	1,352,248	Nil	1,352,248
4.	Mr. R.L. Dube	None	23,000	Nil	Nil	23,000
5.	Brig. J.S. Ahuja***	None	7,000	Nil	Nil	7,000
6.	Mr. Sushil Kumar Chaturvedi	None	Nil	4,488,852	Nil	4,488,852
7.	Mr. Kalyan Mazumder****	None	Nil	Nil	Nil	Nil
8.	Mrs. Binu Mehta*****	None	28,000	Nil	Nil	28,000

* Appointed as Managing Director of the Company with effect from 19.8.2010.

** Resigned as Managing Director of the Company with effect from 19.8.2010.

*** Resigned as Director of the Company with effect from 1.8.2010.

**** Resigned as Director of the Company with effect from 21.6.2010.

***** Appointed as Director of the Company with effect from 19.8.2010.

VI. ESOS Committee :

During the financial year under review, no ESOS Committee Meeting was held and was comprises of following Directors :

Name of Member	Designation	No. of Meeting Held	Attended
Mr. B.V. Suryakumar	Chairman	0	0
Mr. Kartikeya V. Sarabhai	Member	0	0
Mr. Sushil Kumar Chaturvedi	Member	0	0

i) **Vesting and allotment under this trench now completed.**

ii) On 30.8.2005, the ESOS Committee of the Company has allotted 10000 Options to Mr. B.V. Suryakumar, the then Director of the Company. The said Options are to be vested into the equity shares of Rs.10/- each of the Company at a premium of Rs.40/- per share, over a period of 4 years, at the rate of 25% per year commencing from 30.8.2006, on the basis of accepted Options.

iii) On 19.9.2006 ESOS Committee of the Company has allotted 45,000 Options to Mr. Sushil Kumar Chaturvedi the then employee of the Company. The said Options are to be vested in to the equity shares of Rs.10/- each of the Company at a premium of Rs.52/- per share, over a period of 4 years, at the rate of 25% per year commencing from 19.9.2007, on the basis of accepted Options.

In the Annual General Meeting held on 29.9.2008, the Shareholders of the Company have approved the revised price of these shares as Rs.27/- per share i.e. Rs.10/- plus Rs.17/- as premium.

VII. General Body Meetings:

Location, date and time of Annual General Meetings / Extraordinary General Meetings held during last three years.

Year	Date	Time	Location
2007-2008			
32nd AGM	29.9.2008	11.00 A.M.	Vaniya Bhavan, Race Course, Vadodara
2008-09			
33rd AGM (with extension sought from Central Government)	29.12.2009 (The AGM was adjourned to 26.2.2010 and further ad-journed to sine-die. The sine-die adjourned AGM was held on 30.9.2011 to adopt Audited Accounts for the F.Y. 2008-09)	11.00 A..M.	Vaniya Bhavan, Race Course, Vadodara
2009-10			
34th AGM	30.9.2010 (The AGM was adjourned to sine-die. The sine-die adjourned AGM was held on 30.9.2011 to adopt Audited Accounts for the F.Y. 2009-10)	11.00 A..M.	Vaniya Bhavan, Race Course, Vadodara

All the resolutions setout in the respective Notices (Except 33rd AGM and 34th AGM) of the Meetings aforesaid were passed by the shareholders of the Company unanimously. With respect to the 33rd and 34th Annual General Meetings all the resolutions setout in the Notice were passed by the shareholders except adoption of Audited Accounts including report of Board of Directors and Auditors thereon for the financial year 2008-09 and 2009-10 respectively as the same were not ready. The said item of adoption of Audited Accounts for the financial years 2008-09 and 2009-10 were passed by the shareholders in the adjourned AGM, 2009 and AGM, 2010 both held on 30th September, 2011.

During the year under review, there was no occasion for the Company to put any resolution through postal ballot or any of the matters as mandated by Section 192A of the Companies Act ,1956 / Clause 49 of the Listing Agreement.