

TELESYS SOFTWARE LIMITED

ANNUAL REPORT

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2008-2009

TELESYS SOFTWARE LIMITED

- Board of Directors** :
1. Heerachand Surana, Chairman
 2. Y. Sathyakumar, Whole time Director
 3. Thavachithan Vaithylingam Palaniswamy, Director (from 12.06.2008)
 4. Pandian Kashi, Director (from 12.06.2008)
 5. Bakoolesh Harakchandbhai Khanderia (from 27.01.2009)
 6. Prashant Maganlal Brahmbhatt (from 27.01.2009)
 7. Rajendhiran Jayaram (from 02.04.2009)
 8. AXN Prabhu, Director (upto 12.06.2008)
 9. MVC Kutty, Director (upto 12.06.2008)
 10. R.Vednarayanan, Director (Upto 27.01.2009)

Auditors **Venkat & Rangaa**
Chartered Accountants
12, Krishnapuri Second Street,
RA puram, Chennai – 600 028.

Bankers Tamil Nadu Mercantile Bank,
Mount Road Branch, Chennai – 600 002.

Punjab National Bank
Mulund (west) Branch, Mumbai - 400 080.

Punjab National Bank
T. Nagar Branch,
Chennai – 600 017.

Registered Office No. 6, First Floor, Sixth Cross Street,
CIT Colony, Mylapore, Chennai – 600 004
(upto 03.07.2008)

New No. 72, Old No. 33, First Floor,
Giri Road, T. Nagar, Chennai – 600 017.
(w.e.f. 03.07.2008)

Share Transfer Agents Cameo Corporate Services limited,
#1, Subramaniam Building,
Club House Road, Mount Road,
Chennai – 600 002.
Ph.: (044) 28460390 (5 lines)
Fax: (044) 28460129

TELESYS SOFTWARE LIMITED

Regd. Office: New No. 72, Old No. 33, First Floor, Giri Road, T. Nagar, Chennai – 600 017.

NOTICE

SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Company will be held at Nalvar Thirumana Maaligai, 136 (48) SRP Koil Street, Agaram, Chennai – 600 082 on Wednesday, 30th September, 2009 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2009, the Profit & Loss account for the period from 01.04.2008 to 31.03.2009 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Thavachithan Vaithyalingam Palaniswamy, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Venkat & Rangaa, Chartered Accountants, the retiring auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors of the Company in consultation with them.

SPECIAL BUSINESS :

4. APPOINTMENT OF MR. BAKOOLESH HARAKCHANDBHAI KHANDERIA, ADDITIONAL DIRECTOR AS DIRECTOR

To consider and if thought fit pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Bakoolesh Harakchandbhai Khanderia who was appointed as an additional Director of the company at the meeting of Board of Directors held on 27th January, 2009 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution.”

5. APPOINTMENT OF MR. PRASHANT MAGANLAL BRAHMBHATT, ADDITIONAL DIRECTOR AS DIRECTOR

To consider and if thought fit pass the following resolution as an Ordinary Resolution:

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“RESOLVED THAT Mr. Prashant Maganlal Brahmhatt who was appointed as an additional Director of the company at the meeting of Board of Directors held on 27th January, 2009 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution.”

6. APPOINTMENT OF MR. RAJENDHIRAN JAYARAM, ADDITIONAL DIRECTOR AS DIRECTOR

To consider and if thought fit pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Rajendhiran Jayaram who was appointed as an additional Director of the company at the meeting of Board of Directors held on 2nd April, 2009 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution.”

7. ALTERATION IN THE MAIN OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:

To consider and, if thought fit, to pass the following Resolution as Special Resolution as specified hereafter **(To be voted only through Postal Ballot) pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 viz.:**

“RESOLVED THAT pursuant to the provisions of section 192A, section 17 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the confirmation of the Registrar of Companies, Tamil Nadu, Chennai, the Main Objects Clause (Clause III(A)) of the Memorandum of Association of the Company be and is hereby altered by adding the following new clause after the existing clause and numbering the said Clauses as Clause III(A)(1) and Clause III(A)(2):

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"To carry on either alone or jointly with one or more persons, government, local or other bodies, the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, test, inspect, locate, modify, own, operate, run, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist and to act as builder and developer, civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manager of all types of electrical, mechanical, constructions and developmental work in all its branches, such as roads, ways, culverts, dams, bridges, railways, tram-ways, water-tanks, reservoirs, canals, wharves, warehouses, factories, houses, flats, apartments, housing towers, offices, shops, buildings, sheds, properties, godowns, structures, drainage and sewage works, land development, Agro farming, water distribution and filtration systems, docks, marine, ship breaking, harbours, port development, piers, irrigation works, foundation works, flyovers, airports, runways, rock drilling, aquaducts, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, restaurants, holiday resorts, Farm houses, shopping cum residential complexes, townships, markets, hospitals, health centres, IT parks, telecommunication infrastructure and services, multistoreys, colonies, shopping complexes, super markets, malls, housing projects and other similar works and for the purpose to acquire, handover, purchase, sell, own, cut to size, develop, distribute or otherwise deal in all sorts of lands and buildings and to deal in real estates."

"FURTHER RESOLVED THAT the approval of members of the company be and is hereby accorded pursuant to the provisions of section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956 for commencing and carrying on all or any of the new business and activities mentioned in Clause III(A)(2) in the Main Objects clause as inserted by the Special Resolution above."

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further incidental and ancillary steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the company and its shareholders."

8. CHANGE IN THE NAME OF THE COMPANY:

To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 21 of the Companies Act, 1956 and subject to the approval of the Central Government the name of the company be changed from **TELESYS SOFTWARE LIMITED** to **TELESYS INFO-INFRA (I) LIMITED** and clause 1 of the Memorandum and the name in the Articles be changed accordingly."

TELESYS SOFTWARE LIMITED

“FURTHER RESOLVED THAT an application be made to The Registrar of Companies, Tamil Nadu, Chennai under section 21 of the Companies Act, 1956 for approving the change in name.”

“FURTHER RESOLVED THAT the Board of directors of the company be and are hereby authorised to do all acts deeds and things which may be necessary to give effect to the above resolution.”

BY ORDER OF THE BOARD OF DIRECTORS

Place : Chennai
Date : 26/08/2009

Sd/-
Heerachand Surana
(Director)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED ATLEAST 48 HOURS BEFORE THE GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.
3. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING SPECIAL BUSINESS IN RESPECTS OF ITEM NOS. 4, 5, 6, 7 AND 8 OF THE ACCOMPANYING NOTICE AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
4. WITH RESPECT TO RESOLUTION AT ITEM NO. 7 OF THE NOTICE, MEMBERS ARE REQUESTED TO VOTE ONLY BY POSTAL BALLOT IN TERMS OF SECTION 192A OF THE COMPANIES ACT, 1956 READ WITH THE POSTAL BALLOT RULES. A POSTAL BALLOT NOTICE ALONG WITH THE FORM AND PRE-PAID POSTAGE ENVELOPE ARE ENCLOSED FOR THE SAID PURPOSE. VOTES CAST OTHERWISE THAN IN THE POSTAL BALLOT FORM WILL BE REJECTED. PLEASE READ THE INSTRUCTIONS IN THE POSTAL BALLOT FORM CAREFULLY. THE RESULT OF THE POSTAL BALLOT ON THE SAID RESOLUTION WILL BE ANNOUNCED AT THE ANNUAL GENERAL MEETING.
5. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM WEDNESDAY, 23RD SEPTEMBER, 2009 TO WEDNESDAY, 30TH SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
6. THE MEMBERS ARE REQUESTED TO INTIMATE TO THE REGISTRAR AND TRANSFER AGENTS, CAMEO CORPORATE SERVICES LIMITED, #1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD, MOUNT ROAD, CHENNAI - 600 002, CHANGE OF ADDRESS, IF ANY AT THE EARLIEST QUOTING THEIR REGISTERED FOLIO NUMBER.
7. THE DOCUMENTS REFERRED TO IN THE NOTICE AND EXPLANATORY STATEMENT ARE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY ON ALL WORKING DAYS, EXCEPT HOLIDAYS DURING WORKING HOURS UPTO THE DATE OF THE ANNUAL GENERAL MEETING.

8. Reappointment of directors

At the ensuing Annual General Meeting Shri Thavachithan Vaithyalingam Palaniswamy retires by rotation and being eligible offers himself for reappointment. Pursuant to Clause 49(VI)(A) of the Listing Agreement relating to the code of Corporate Governance, the particulars of the aforesaid Director are given below:

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Profile of Directors retiring by rotation:

a) Shri Thavachithan Vaithyalingam Palaniswamy aged about 50 years is a science graduate and has a rich and varied experience in the field of industry and business.

Shri Thavachithan Vaithyalingam Palaniswamy who joined the company on 12th June, 2008 as a Non-Executive Independent Director has contributed in various ways by bringing external and wider perspective and independence to the decision making thereby contributing towards improving the efficiency of the company. He is the member of the Audit Committee and Shareholders/ Investors Grievance Committee and Chairman of the Remuneration Committee of the Board of Directors of the Company.

The other directorships/ committee memberships of Shri Thavachithan Vaithyalingam Palaniswamy are: NIL

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956 ('the Act')

The following Explanatory Statement relating to Special Business at Item Nos. 4, 5, 6, 7 AND 8 of the accompanying Notice sets out all material facts as required under Section 173 of the Act.

Item No. 4:

Mr. Bakoolish Harakchandbhai Khanderia was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 27th January, 2009. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Bakoolish Harakchandbhai Khanderia as a candidate for the Office of director of the Company. Aged 71 years, with an enormous and varied experience in industry and business, his appointment as a Non-Executive Independent Director will strengthen the board. Other Directorships/Committee Memberships are NIL.

The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Bakoolish Harakchandbhai Khanderia are concerned or interested in the above resolution.

Item No. 5:

Mr. Prashant Maganlal Brahmhatt was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 27th January, 2009. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Prashant Maganlal Brahmhatt as a candidate for the Office of director of the Company. Aged 57 years, a British Citizen, a graduate with an enormous experience in industry and business, his appointment as a Non-Executive Independent Director will strengthen the board. Other Directorships/Committee Memberships are NIL.

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The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Prashant Maganlal Brahmhatt are concerned or interested in the above resolution.

Item No. 6 :

Mr. Rajendhiran Jayaram was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 2nd April, 2009. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Rajendhiran Jayaram as a candidate for the Office of director of the Company. Aged 54 years, a graduate with expertise in services, his appointment as a Professional Executive Director will strengthen the board. Other Directorships/Committee Memberships are NIL.

The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Rajendhiran Jayaram are concerned or interested in the above resolution.

Item No. 7:

The company is presently engaged in the business of Software development. However, due to heavy competition the company could not sustain its operations and achieve desired growth in the software industry. Therefore, the company proposes to diversify and expand into infrastructure, real estate and allied activities. Therefore it is desirable to amend suitably the Main Objects Clause of the Memorandum of Association of the Company as detailed in the resolution in order to carry out infrastructure, real estate and allied activities. The proposed additional objects may be conveniently and advantageously combined with the existing business activities of the company. The company will continue to carry on its existing business activities, viz., Software Development to complete the current projects in hand and to profitably exploit the opportunities available in the software industry.

In view of Section 17 of the Companies Act, 1956 the proposed alterations of the Memorandum of Association requires to be approved by special resolution. In terms of Section 17 and 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 the Resolution has to be passed by way of Postal Ballot. The alteration shall be effective upon the registration of the resolutions with the Registrar of Companies.

The company also proposes to commence and carry on all or any of the new business and activities mentioned in Clause III(A)(2) (Main Objects clause) as inserted by the Special Resolution as mentioned above.

The approval of the members by special resolution in general meeting to the commencement by the company of the said new business is considered necessary in view of the requirements of section 149(2A) of the Companies Act, 1956 read with the explanation thereof. The approval can also be obtained by way of postal ballot.

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The Directors are of the opinion that the proposal would be in the interest of the company and its shareholders and accordingly recommend the Special Resolution for approval by exercising their vote through a Postal Ballot in terms of Section 17 and Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The postal ballot form is sent to you alongwith the notice.

The draft copy of the Memorandum of Association of the company is available for inspection at the Registered Office of the company on any working day during business hours.

The Directors of the Company may be deemed to be concerned or interested in the resolution as set out in the Notice pursuant to Section 192A of the Companies Act, 1956 to the extent of shares held by them, their associates and the companies in which they are interested in the Company.

Item No. 8 :

The current name of the company does not reflect the new objects proposed to be carried on by the company. Hence the company is desirous of Changing its name from **TELESYS SOFTWARE LIMITED TO TELESYS INFO-INFRA (I) LIMITED**. This will help the company to rebrand itself in the industry as an Info Infra Company and will enable the company to effectively accomplish its strategic initiatives. The Registrar of Companies has confirmed availability of the new name. The Letter from the Registrar of Companies, referred to above will be available at the registered office for inspection during business hours on any working day before the day of the meeting.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of shares held by them, their associates and the companies in which they are interested in the Company.

The Board recommends the resolution for the approval of members as special resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/

Place : Chennai
Date : 26/08/2009

Heerachand Surana
(Director)

TELESYS SOFTWARE LIMITED

DIRECTORS REPORT

Your Directors are happy to present the Seventeenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31st March 2009.

FINANCIAL HIGHLIGHTS:

During the year under review, the company has incurred a loss of Rs. 18,722,960.00/- as against a loss of Rs. 16,535,817/- during the previous year. The financial results of the company compared to the previous year are summarized as under:

(Rs.)

Particulars	31.03.2009	31.03.2008
Income	72,714,362.00	83,423,178.00
Profit/ (Loss) before Depreciation and Tax	(14,491,690.00)	(13,593,341.00)
Less: Depreciation	2,420,468.00	3,030,259.00
Profit/ (Loss) Before Tax	(16,912,158.00)	(16,623,600.00)
Prior Period Expenditure	2,200,674.00	-
Provision for FBT	48,450.00	31,251.00
Provision for Taxation - Current	-	353,772.00
Provision for Deferred Tax - Asset	(438,321.00)	(472,806.00)
Profit/ (Loss) After Tax	(18,722,960.00)	(16,535,817.00)
Balance Brought Forward	(69,821,438.00)	(53,285,621.00)
Balance carried over to Balance Sheet.	(88,544,398.00)	(69,821,438.00)
EPS Basic & Diluted (Rs.)	(0.80)	(0.72)
Weighted Average No. of shares	23,235,250	23,235,250

REGISTERED OFFICE:

The Registered Office of the Company was changed from No. 6, First Floor, Sixth Cross Street, CIT Colony, Mylapore, Chennai – 600 004 to New No. 72, Old No. 33, First Floor, Giri Road, T. Nagar, Chennai – 600 017 w.e.f. 03.07.2008 looking at better prospects from the new location.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes & Commitments, which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report affecting the financial position of the company.

RESERVES:

The company does not propose to carry any amount to reserves during the financial year in view of the loss incurred by the company.