

TELESYS INFO - INFRA (I) LIMITED
(Formerly known as Telesys Software Limited)

ANNUAL REPORT
2010–2011

TELESYS INFO - INFRA (I) LIMITED

Board of Directors :	<ol style="list-style-type: none">1. Heerachand Surana, Chairman2. Y. Sathyakumar, Whole time Director3. Thavachithan Vaithylingam Palaniswamy, Director4. Pandian Kashi, Director5. Rajendhiran Jayaram6. C.S.Rajasekaran7. ChokkalingamRajasekaran Subramanian.
Auditors	Venkat & Rangaa Chartered Accountants No.13, Flat No.5, Majestic Apartments, First Floor, Soundarrajan Street, T.Nagar, Chennai – 600 017.
Bankers	Tamil Nadu Mercantile Bank, Mount Road Branch, Chennai – 600 002. Andhra Bank Sowcarpet, Chennai – 600 079. Punjab National Bank T. Nagar Branch, Chennai – 600 017.
Registered Office	New No. 72, Old No. 33, First Floor, Giri Road, T. Nagar, Chennai – 600 017.
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 INFO - INFRA (I) LIMITED

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

NOTICE

NINETEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Company will be held at Nalvar Thirumana Maaligai, 136 (48) SRP Koil Street, Agaram, Chennai – 600 082 on Thursday, 30th September, 2011 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2011, the Profit & Loss account for the period from 01.04.2010 to 31.03.2011 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Y.Sathya Kumar, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Heerachand Surana, Director who retires by rotation and being eligible offers himself for re-appointment.
4. 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.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Heerachand Surana
(Chairman)

Place: Chennai
Date : 03/09/2011

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 REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM THURSDAY, 23rd SEPTEMBER, 2011 TO THURSDAY, 30th SEPTEMBER, 2011 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
4. 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.

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DIRECTORS REPORT

Your Directors are happy to present the Nineteenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31st March 2011.

FINANCIAL HIGHLIGHTS:

During the year under review, the company has incurred a loss of Rs.11,973,210/- as against a loss of Rs. 18,722,960/- during the previous year. The financial results of the company compared to the previous year are summarized as under:

Particulars	31.03.2011	(Rs.) 31.03.2010
Income	22,325,275.00	18,421,969.00
Profit / (Loss) before Depreciation and Tax	6,609,461.00	(10,839,197.00)
Less: Depreciation	265,592.00	1,471,376.00
Profit/ (Loss) Before Tax	6,343,869.00	(12,310,573.00)
Prior Period Expenditure	-	-
Provision for FBT	-	-
Provision for Taxation - Current	1,176,153.00	-
Provision for Deferred Tax – Asset	(621,463)	(337,362.00)
Profit/ (Loss) After Tax	5,789,179.00	(11,973,211.00)
Balance Brought Forward	(100,517,609.00)	(88,544,398.00)
Balance carried over to Balance Sheet.	(94,728,430.00)	(100,517,609.00)
EPS Basic & Diluted (Rs.)	0.27	(0.53)
Weighted Average No. of shares	23,235,250	23,235,250

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.

DIVIDEND:

Your directors do not recommend any dividend during this year.

DEPOSITS AND LOANS/ ADVANCES:

The Company has not accepted any public deposits during the financial year.

The particulars of loans/ advances and investment in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the company pursuant to Clause 32 of the listing agreement with the company, are furnished separately.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Economic Overview:

There was a global economic slow down in general during this year. The Market conditions were difficult. Due to economic conditions the main focus of the company was on conserving cost and creating efficiencies thereby enhancing value. Due to slow down considerable reductions were experienced in IT services spend all over.

b) Industry Structure, Development and Outlook

The growth in Software Services sector continued to be broad based despite of general recession. The management is also planning diversification in areas of Infrastructures Development, Power sector etc. to improve the performance of the company and in turn enhance shareholders value.

c) Business performance

During the year under review, the company has earned a Profit of RS:5,789,179/- as against previous year loss of Rs. 11,973,211/- . Though the company has earned profit during this year, the performance of the company is still expected to improve during the coming years with increasing efforts being made in the direction of improving the working efficiency of the company.

d) Segment Reporting

The company has two segments i.e. Software development & sales in India and infrastructure, real estate and allied activities. The company is expected to concentrate more activities in its new object of Infrastructure business activities in the coming years. The company is disclosing segment wise report as per Listing Agreement wherever required.

e) Internal Control System and its adequacy

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

f) Risk Management

Risk evaluation and management is an ongoing process in the company.

g) Human resources and Industrial relations

Your company continues to have cordial relations with its employees.

DIRECTORS

Shri Heera chand Surana and Shri Y.Satya Kumar , Directors of the company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers themselves for reappointment.

AUDITORS:

M/s. Venkat & Rangaa, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. A written certificate pursuant to section 224(1B) has been obtained that their appointment if made will be within the limits specified therein. The Audit Committee in its meeting have recommended the reappointment of the Auditors.

AUDITORS REPORT:

There are no reservations, qualifications or adverse remarks contained in the Auditors Report.

CORPORATE GOVERNANCE:

Your Company has always striven to incorporate appropriate standards for good corporate governance. The company's philosophy of Corporate Governance is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the investors and other Statutory Authorities to whom these Reports are addressed to. It has taken adequate steps to ensure that all mandatory provisions of corporate governance as prescribed under the amended listing agreements of the stock exchanges, with which the company is listed are complied with.

A separate report on Corporate Governance is produced as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are complied with by the Company and their Certificate is annexed to the Report on Corporate Governance.

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

The information regarding conservation of energy and technology absorption as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to your company. There were no foreign exchange earnings and outgo during the financial year.

PARTICULARS OF EMLPOYEES U/S 217(2A) OF THE ACT:

None of the employees have received remuneration in excess of the sum prescribed u/s 217(2A) of the Companies Act, 1956.

GOING CONCERN:

The Directors consider on the basis of current financial results, future projections and infrastructure available that the company has adequate resources to continue the operational existence in the foreseeable accounts and therefore, the accounts have been prepared on a going concern basis.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby declare:-

- (i) that in preparation of accounts, applicable accounting standards have been followed or where departure has been made, explanation relating to material departures;
- (ii) that directors have selected such accounting policies and applied them and made judgements and estimates that are reasonable and prudent to give a true and fair view of 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) that Directors have taken proper and sufficient care for 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; and
- (iv) that the directors had prepared Annual Accounts on a Going Concern basis.

COMPANY SECRETARY:

The appointment of Whole time Company Secretary is under consideration of the Company. The company has been availing services of practicing company secretary from time to time to ensure compliance of the provisions of the applicable acts and statutes. Also the Annual Return of the Company is being certified by practicing company secretary from year to year and the company is also taking certifications from them for Stock Exchange Compliances.

CAUTIONARY STATEMENT:

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and prices conditions in the domestic and overseas markets in which the company operates/ going to operate, changes in government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENT

Your directors wish to place on record their deep appreciation of the dedication and commitment of employees to the growth of your company during the year. Your directors also express their sincere gratitude to the bankers, consultants, customers, Auditors and the shareholders for their continued patronage and cooperation.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

(Heerachand Surana) (Y. Sathyakumar)
Chairman & Director Whole time Director

Date: 03/09/2011

Place: Chennai

STATEMENT AND REPORTS ON CORPORATE GOVERNANCE

A. MANDATORY REPORTS ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance:

Your Company has always striven to incorporate appropriate standards for good corporate governance. The company's philosophy of Corporate Governance is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the investors and other Statutory Authorities to whom these Reports are addressed to. It has taken adequate steps to ensure that all mandatory provisions of corporate governance as prescribed under the amended listing agreements of the stock exchanges, with which the company is listed are complied with.

II. Board of Directors :

Composition and Category

The Board has 6 Directors, comprising of three Executive Directors and three Non-Executive Independent Directors as on 31st March, 2011. The Executive Directors are involved in the day to day management of the Company and non-executive including the independent directors bring external and wider perspective and independence to the decision making. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors generally met with the requirements of Clause 49(1)(A) of the Listing Agreement.

None of the directors is a member in more than 10 committees or acting as a Chairman of more than five committees across all companies in which they are directors.

The composition of the Board of Directors, the number of other Directorship and Committee positions held by the Director, of which the Director is a member/ Chairman as on March 31, 2011 are as under:

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