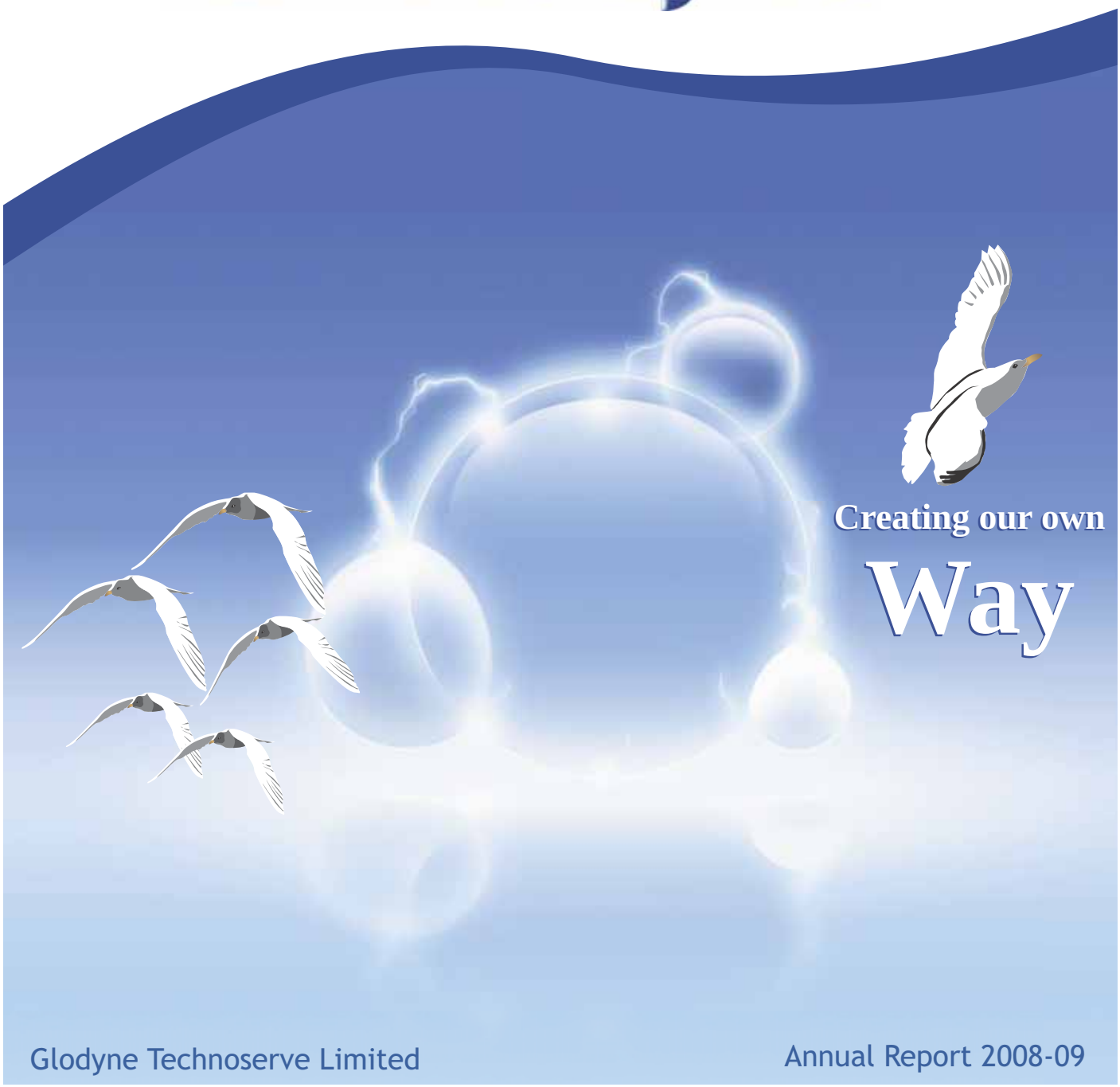
Glodyne



Glodyne Technoserve Limited

Annual Report 2008-09

To serve the world

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Letter to shareholders

Dear Shareholders,

I have pleasure in sharing my thoughts on Glodyne with my co-owners.

The economic slowdown, which was initially experienced by individual markets, spread across the globe during the second half of 2009 and was also affecting emerging markets such as India. On balance, the entire global economy lost considerable momentum. Nevertheless, demand for Glodyne's Services remained strong in both the domestic and US market. This was reflected in the pleasing results, which significantly outperformed the IT sector in India. We considerably expanded and strategically strengthened our business activities in the Technology Infrastructure Managed Services (Technology IMS). Enhancement in the strategic direction, business development re-engineering and implementation of the operating programmes enabled us to achieve our goals for the year.

Sound growth despite difficult global economic conditions

We performed significantly better than the rest of the industry, increasing our Revenue by 63 % to INR 5010.23 million. With the realignment of business development we bagged 43 new clients in the entire year despite the increasingly recessionary environment. Operating EBITDA was up by 86% to INR 1050 million, while the operating margin for the entire year rose to 20.96 %. We surpassed our performance target for the year and this success is reflected in both, the top line and bottom line.

Expansion in established business

Glodyne is primarily in the business of Technology IMS Services, focused on optimizing the operational expense of our clients, a core expense they can't do away with unlike other capex intensive initiatives which could go slow in case of a slowdown. During the reporting year, we significantly improved our position in the Technology IMS segment. Revenue from the segment contributed 78% of the total revenues, up 65% over the previous year IMS revenue. These figures are in line with our strategy to build a Global Technology IMS Company. The two acquisitions we made in FY 08 and FY 07 have shown results and have led to the traction of remote services. Closer home, the opportunity is no less strong. In a study by a leading research agency, more than 60 per cent of Indian companies are looking at Technology IMS to improve cost efficiencies.

As per our strategy, we would continue investing in our Tech Center to deliver Technology IMS services through a hybrid Onsite / Remote model. With our remote services, we are able to offer faster resolution at reduced cost, in most of the cases it is 30-40% reduction, creating a win-win situation for the client as well as for us. We have experienced acceptance of the services within the US clients and have been able to expand our services base; however it's just the beginning and we have a long way to go. As per the FY 09 results 25% of our business comes from US clients, we believe we would successfully expand our Technology IMS services in US through a hybrid Onsite- Remote delivery in this downturn when cost optimization is the need of the hour. We see the slowdown as an opportunity as we believe that Companies will do more of outsourcing of their Infrastructure management to optimize their operational costs.

E-Shakti project – NREGS implementation in Bihar

Glodyne, through its subsidiary Smaarftech Technologies has partnered with the Rural Development Department of the Government of Bihar for implementing and managing the National Rural Employment Guarantee Scheme (NREGS) project in Bihar, named 'e-shakti'. It was launched on 24th February 2009, at the hands of the Hon. Chief Minister of Bihar, Mr. Nitish Kumar at Patna. The NREGS scheme, an initiative of Govt of India, guarantees 100 days of employment in a financial year to below the poverty line household. 'e-shakti' is a 5 year BOOT project which would generate more than Rs. 284 crore in revenues for the Company and has the potential not only to generate more employment directly and indirectly, but also to transform rural economic and social relations at many levels. Glodyne is responsible for the project implementation, management and maintenance. The Company is focusing on similar initiatives in the e-governance space in other states.

Committed to "Client First" Approach

Glodyne's focus is on total quality while delivering IT services to its customers which is reflective in its stringent adherence to various quality and security standards for its operations. In continuation with our process and quality driven approach, we have been accredited with the ISO 27001 and CMMI Level 3 Certification this year. The ISO 27001 certification proves our operational maturity and unrelenting commitment to safeguarding the trust that our clients and other stakeholders place on us. With the security certification the robustness of our information security practices is proved, which would boost customer confidence.

The Company was named winner in the Deloitte Technology Fast 500 Asia Pacific 2008 Program and Deloitte Technology Fast 50 India 2008 Program. The Company has earlier bagged these awards in 2007, 2006 and 2005, on basis of a strong growth performance year on year. The Company was super ranked 32 among the Top 1000 Corporate Giants in India, by Business Standard.

Outlook for 2010

Our business is now driven by strong and evolving technology practices, client focus and efficiency. As a result of measures to increase productivity and profitability as part of our business operating system, we have been successful in enhancing our operating margins year on year. To meet the growth and profitability targets, our employees work in line with clearly defined corporate values. These form the basis for our corporate culture which fosters a profit and client-oriented approach.

Information Technology Services have traditionally played a critical role in the growth of the Indian economy- the fundamentals of which remains structurally strong even amid the current international economic crisis. The very high level of volatility in the currency markets and a challenging economic environment posed new challenges in 2009. We have therefore enhanced the effectiveness of our risk management strategy. Glodyne is committed to deliver its clients quality services enabling them to improve their business efficiencies and productivities.

We continue to pursue our expansion strategy through inorganic growth and are strategically looking out for acquisition of companies related to our core Technology IMS business. These must offer leading-edge technology and be in a position to benefit from our hybrid Onsite / Remote delivery strengths. Glodyne is able to use its strengths, such as its extensive expertise in technology infrastructure management, remote delivery capabilities, skilled and specialized manpower, to maximise the growth potential offered by such companies.

I am very grateful to all our shareholders, for their loyalty and confidence in our company and its management team. We will make every effort to continue justifying this loyalty and confidence.

Annand Sarnaaik
Chairman and Managing Director

Board @ Glodyne

Annand Sarnaaik
Chairman and Managing Director

Annand is the founder promoter and has led Glodyne since inception. Then a 2 crore startup, Glodyne Technoserve Limited is today more than 500 crore revenue IT Services organization with presence in India and US. Annand strongly believes that a team of highly motivated people are capable of extraordinary things. He has built Glodyne on the basic principle of delivering values beyond expectation, which has been the force behind Glodyne's business success. Annand is a BE (Electronics and Telecom) and MBA from Jamnalal Bajaj Institute of Management. He has overall experience of more than 18 years in the field of IT. Annand takes a personal interest in developing teams and leaders and invests significant time in Glodyne's leadership development programs.

Divvyani A. Sarnaaik
Executive Director

Divvyani is the co-founder and an Executive Director at Glodyne. She oversees all the operating business units of the Company and is part of the strategy planning team. She manages the overall operations and is responsible for customer value creation. Being a strong advocate of customer centricity, Divvyani has led the Glodyne team to develop customer focused services, methodologies and solutions and is focused on increasing competitiveness, enhancing employee engagement and increasing the depth of IT services offerings. She has been instrumental is setting and defining the process and quality orientation for Glodyne's Technology IMS business. Divvyani holds an MBA in finance from Mumbai University and has more than 18 years of experience in Technology, Operations and Finance.

Ved Prakash Arya
Director

Ved Prakash Arya has serves as an Independent Director on the Board. He is the founder of Milestone Capital Advisors, an Asset Management Company which invests in private equity, real estate development and real estate yield driven projects in India. Prior to starting milestone in 2007, he was the Chief Operating Officer (COO) and Director - Operations for Pantaloon Retail (India) Limited. He has also been the driving force behind setting Pantaloon Group's Real Estate Venture Fund, Kshitij & Horizon. Ved is also the founder Director of RAI (Retailers Association of India). He holds a bachelor degree in engineering and is an MBA from IIM, Ahmedabad. He also is a graduate of the Advanced Management Program at Harvard University Business School.

Board @ Glodyne

Dhiren B. Kothary
Director

Dhiren Kothary serves as an Independent Director on the Board. Mr. Dhiren Kothary is the promoter director of Quest Profin Advisors Private which was established in 1994. The Company provides corporate advisory and corporate finance services. Dhiren is also the principal partner in M/s D. Kothary & Co. He is a Chartered Accountant by profession and his experience spans more than two decades in the field of taxation, financial and corporate advisory services across many sectors namely Retail, Technology, Manufacturing and Services. Mr. Dhiren Kothary is regarded as an income-tax expert and has contributed to the book "Commentary on Income Tax" penned by the reputed tax advocate late D. M. Harish in 1995.

Avtar Saini
Director

Avtar is the former director for Intel's South Asia division. He started the India engineering operations which worked on various technologies and products spanning from IT operations to networking software to microprocessor design. At Intel, Avtar co-led the development of the Pentium processor and was responsible for the first phase development of Intel's 64-bit architecture - The Itanium Processor. He is an internationally renowned microprocessor designer and developer. He was awarded 7 U.S. patents for his work in microprocessor design. Avtar works with US based technology startup companies to build, grow and operate their India operations. Avtar holds a BE in Electrical Engineering from University of Bombay and a Masters in Electrical Engineering from the University of Minnesota.

Krishnamurthy Yemmanur
Director

Mr. Krishnamurthy Yemmanur serves as as Independent Director on the Board. He is a Banking veteran and has served Reserve Bank of India for more than 40 years and has rich and varied experience in NRI investment in India, foreign collaboration, matters relating to Import & Export and External Commercial Borrowing inspection of Commercial Banks and Local Area Banks. He took active part in deployment of credit for rural area and flow of credit to priority sectors and was also convener of SLIC Meetings (State Level Inter Institutional Committee) chaired by the Principle Secretary, Industries and Commerce, Govt. of A.P. Mr. Yemmanur holds a Bachelors Degree in Commerce and is a C.A.I.I.B.

Results @ Glance

Snapshot of last 5 Years

Consolidated Balance Sheet Summary

Rs. in Lakhs

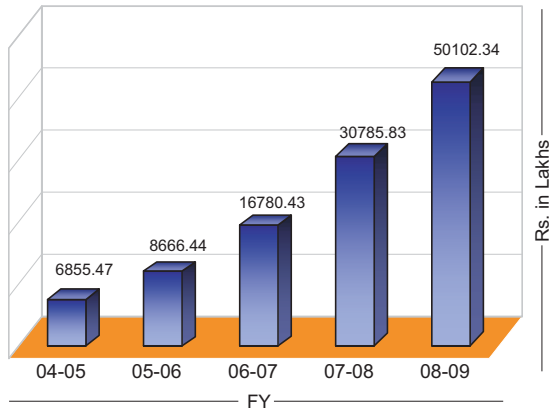
Particulars	FY 08 - 09	FY 07 - 08	FY 06 - 07	FY 05 - 06	FY 04 - 05
Sources of Funds					
Equity Share Capital	1,110.92	1,087.76	1,087.76	1,087.76	757.67
Share Application Money (Pending Allotment)	-	89.12	-	-	-
Reserves and Surplus	15,008.38	7,561.51	3,735.64	1,882.99	415.30
Total Shareholders' Funds	**16,119.30**	**8,738.39**	**4,823.40**	**2,970.75**	**1,172.97**
Loans	8,806.83	3,386.90	1,114.98	615.82	551.82
Deferred Tax Liability	548.27	402.84	228.60	139.37	83.31
Minority Interest	173.01	93.31	0.29	0.23	0.19
Total Liabilities	**9,528.11**	**3,883.05**	**1,343.87**	**755.42**	**635.32**
Application of Funds					
Gross Block	7,113.89	4,157.85	2,082.20	1,106.87	809.91
Less: Depreciation	2,147.22	1,074.48	464.91	212.50	107.68
Net Block	4,966.67	3,083.37	1,617.29	894.37	702.23
Capital Work in Progress	5,500.35	206.20	76.20	207.73	254.31
Total Fixed Assets	**10,467.02**	**3,289.57**	**1,693.49**	**1,102.10**	**956.54**
Goodwill	**3,367.34**	**3,367.34**	**2,204.86**	**138.07**	**138.07**
Investments	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
Gross Current Assets	18,163.72	7,342.67	5,578.75	2,981.49	1,126.89
Less: Current Liabilities & Provisions	6,350.68	1,378.15	3,309.84	495.50	413.22
Net Current Assets	**11,813.04**	**5,964.52**	**2,268.91**	**2,485.99**	**713.67**
Net Worth	**16,119.30**	**8,738.39**	**4,823.40**	**2,970.75**	**1,172.97**

Consolidated Profit & Loss Summary

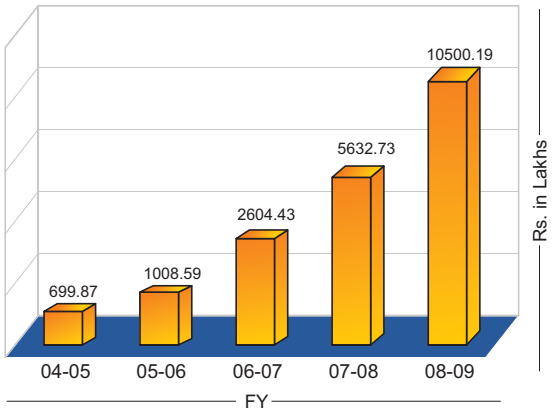
Rs. in Lakhs

Particulars	FY 08 - 09	FY 07 - 08	FY 06 - 07	FY 05 - 06	FY 04 - 05
Revenue from Operations	50,102.34	30,785.83	16,780.43	8,666.44	6,855.47
Other Income	1,005.79	5.35	29.54	89.98	1.75
Total Income	**51,108.13**	**30,791.18**	**16,809.97**	**8,756.42**	**6,857.22**
Employee Costs	5,960.27	3,525.69	1,737.92	361.08	131.93
Operating, Admin & other Expenses	33,641.88	21,627.41	12,438.08	7,296.77	6,023.67
Total Expenses	**39,602.15**	**25,153.10**	**14,176.00**	**7,657.85**	**6,155.60**
PBDIT	**11,505.98**	**5,638.08**	**2,633.97**	**1,098.57**	**701.62**
Interest & Finance Charges	764.68	410.65	104.31	115.45	61.25
PBDT	**10,741.30**	**5,227.43**	**2,529.66**	**983.12**	**640.37**
Depreciation	933.30	492.98	252.41	109.08	38.75
Profit Before Taxation	**9,808.00**	**4,734.45**	**2,277.25**	**874.04**	**601.62**
Taxation	2,023.28	673.25	268.70	128.41	88.03
Profit/(Loss) After Taxation	**7,784.72**	**4,061.20**	**2,008.55**	**745.63**	**513.59**
Minority Interest	4.75	0.02	0.06	0.04	0.04
Profit/(Loss) After Minority Interest	**7,779.97**	**4,061.18**	**2,008.49**	**745.59**	**513.55**
Earnings Per Share (Rs.)	**70.50**	**37.34**	**18.46**	**8.24**	**6.78**

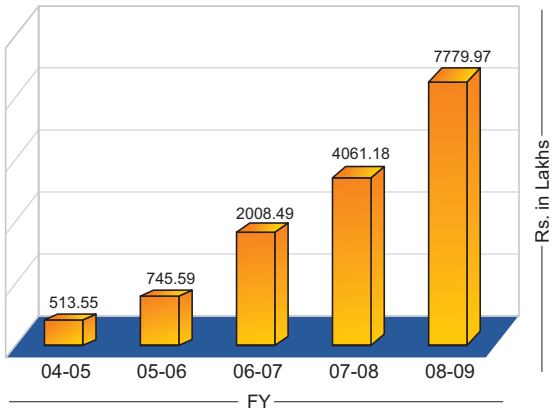
Results @ Glance



Revenue from Operations



EBIDTA



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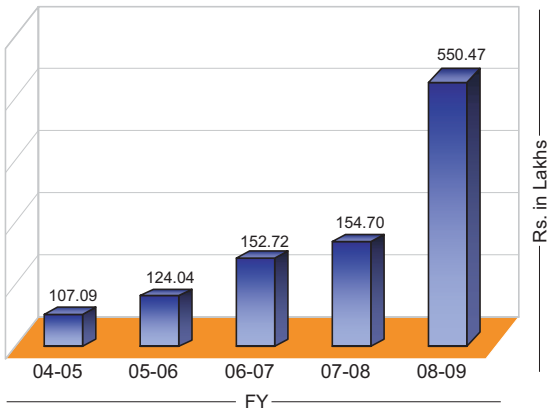
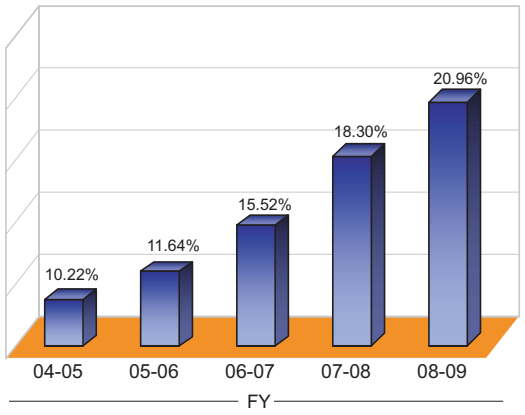
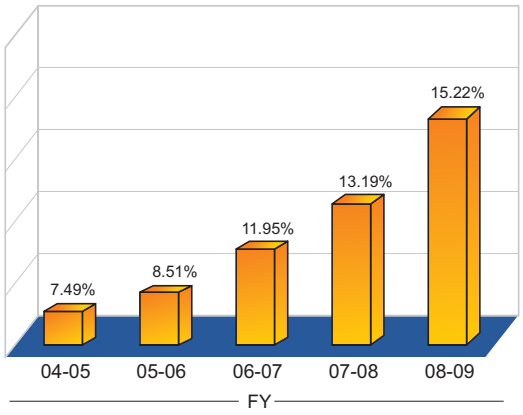


Dividend
(Including Dividend Tax)

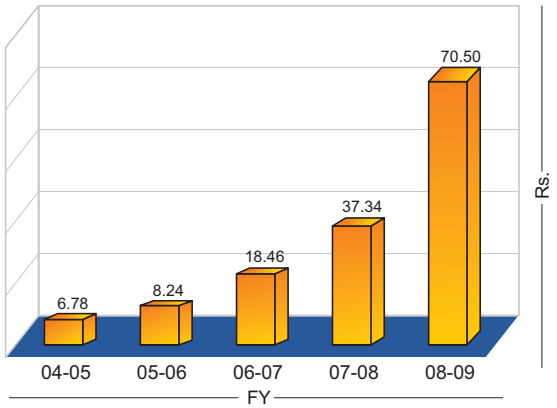
Results @ Glance



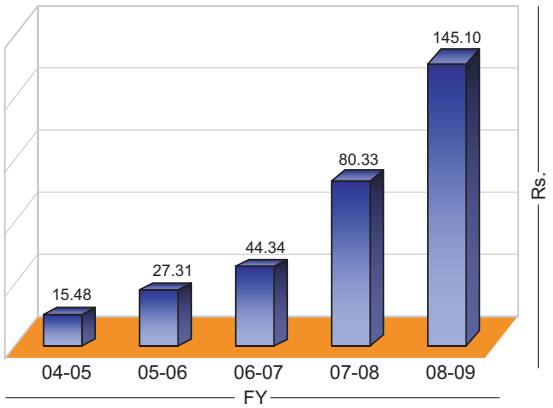
EBIDTA / Revenue



PAT/Revenue

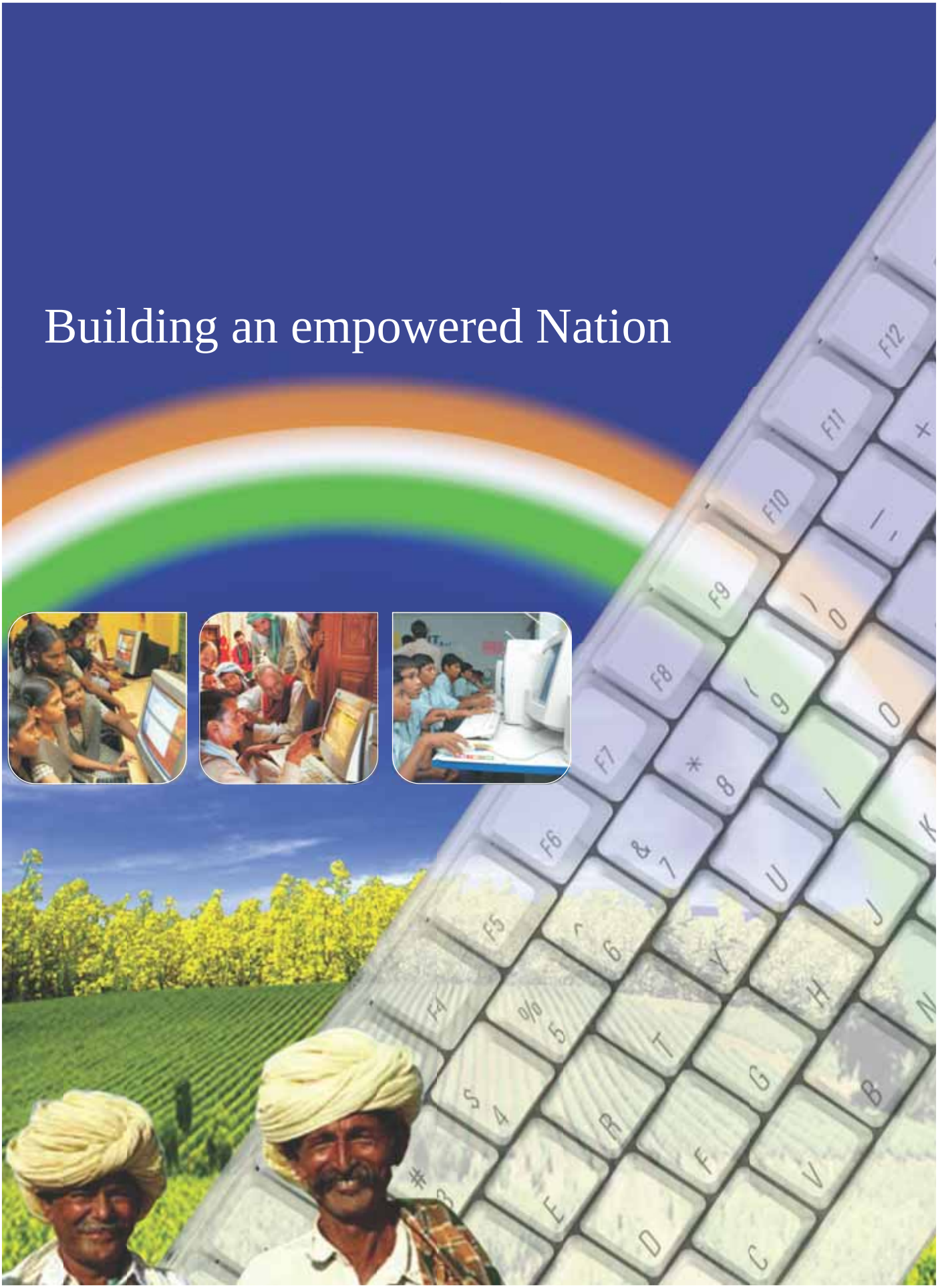


EPS



Book Value Per Share

Building an empowered Nation



Building an empowered Nation

How important is access to Information Technology? A World Bank report of 2008, found a very high correlation between the rate of technology progress and income growth. According to that report, “Technological progress distinguishes fast-growing developing economies and slow growing ones." It also distinguishes economies that have made great strides in reducing poverty and those that have been less successful. Relations between citizens and public administrations and institutions, in rural or urban contexts, at the local or the world scale, have been modified by the development of information and communication technology (ICT).

They are signs, factors, and engines of tomorrow's society and beyond the fascination that they exercise on their present users, the various manifestations of ICT can become privileged means for meeting the challenges of a society in mutation. To play this determining role, ICT needs to be considered, despite its complexity and the technological progress it represents, as a simple tool at the service of "people." In the post liberalization era governments across the country have been engaged in improving internal efficiencies, responsiveness, coordination and integration between various government departments and external agencies, citizens and businesses. The global trends also point out to the emergence of e-Government revolution after the Internet and ecommerce revolutions.

With the realisation of e-Governance projects in India, the time has come to review the role of the public sector as well as private sector to speed up the process of implementation of different projects related to e-Governance. Public-private partnerships (PPP) make it possible to multiply the impact that a single organisation or company could hope to achieve working alone. These partnerships combine public sector organisation's knowledge of local communities with private company's technical expertise and implementation experience. As a result, PPP can develop and deploy relevant and effective Information Technology solutions that solve specific challenges with much greater speed. ICT are being increasingly used by the governments to deliver its services at the locations convenient to the citizens. Some e-Governance projects have attempted to adopt these technologies to improve the reach, enhance the base, minimize the processing costs, increase transparency, and reduce the cycle time. Following are the major factors responsible for successful implementation and sustenance of ICT projects for social development:

- Degree of efficiency and transparency demonstrated in citizen services.
- Extent of reduction in cost and improvement of convenience for citizens.
- Extent of reengineering and improvement of back-end services.
- Extent of Integration of backend processes with front-end.
- Degree of employee involvement and change management.
- Amenability for PPP arrangement.
- Strength of PPP arrangement in the service delivery.
- Technological robustness of the project.

At Glodyne, we share the belief that Information Technology can have a dramatic positive effect on people's lives. We also believe that one of the best ways to accelerate the speed of technology adoption is through close partnerships between the public sector and the private sector. There are important sectors like education, healthcare, and rural insurance where technology can enable faster reach and efficient service to the people. Technology would play a critical role in the empowerment of the people of India and lead to an inclusive growth.

e- Shakti cards usher simplicity and transparency for workers

Glodyne has partnered with the Rural Development Department of the Government of Bihar in implementing and managing the National Rural Employment Guarantee Scheme (NREGS) project in Bihar. The launch of the NREGS scheme took place on 24th February, 2009, at the hands of the Hon. Chief Minister of Bihar, Mr. Nitish Kumar at Naubatpur, Patna. The NREGS scheme, an initiative of Govt of India, guarantees 100 days of employment in a financial year to below the poverty line household. The uniqueness of the scheme is that it treats employment as a right and the programme is intended to be demand-driven.

Bihar is the first state in the country to have launched the Scheme in the entire state through e-shakti project, which is completely technology driven. Smaarftech Technologies (a subsidiary of Glodyne Technoserve Limited) is implementing the e-shakti Project. It is responsible for the project implementation, management and maintenance. A datacenter has been setup, data collection drive is an ongoing process, de-duplication of data is being done using technology, a call center is being set up, are some the activities related to the project.

The e-Shakti project seeks to bring in contactless smart cards to workers registered with NREGS for their wage disbursement, identification, and a host of other service features. The project has the potential not only to generate more employment directly and indirectly, but also to transform rural economic and social relations at many levels.

The e-shakti card is a personalized card with laser engraved photograph, biometric data and particulars of the card owner. It has a unique NREGS identity number. It contains all relevant data of the member in an electronic form. The Smart Card will remain in possession of the member. It is important because it will have the registration number of the card owner.

The e- Shakti card will serve as an Identity Card for the beneficiary. The card has multiple possible expanded applications in addition to the use as a NREGS card. These include Voter id, PDS, Microcredit, State Insurance, Ration Card, Driver license, ATM card, Bank Account/ e-Pass Book, Social Security/Pension Card, Pan Card, Post Office Account among other uses.

A call center is being set up for the e-Shakti project to facilitate any information seeking, grievance or complaint from any part of the state. It will have a toll free number.

With e-shakti the processes of registration, receipts, job demand, muster rolls, works, attendance, calculation and disbursement of wages will been digitalized saving all the paperwork and complexity giving the rightful benefit to the card holders. Technology is being used for empowerment and enrichment of the rural households of the state.

Governments need an "innovation agenda" that involves IT and not an "IT Agenda" - Mckinsey Global Institute.

Glodyne believes that appropriate use of IT in governance will lead to the true empowerment for the people of the country. The company would continue to partner in various e-governance initiatives across sectors in the country. Glodyne has the required resources, expertise and experience to leverage technology in governance. E-shakti is the first step to a long fulfilling journey for Glodyne.

Services @ Glodyne

Technology Managed Services

IT operations are moving centre-stage and in many organizations the transition is already complete. Dependency of businesses on technology to become competitive has made it a necessary investment rather than a cost to keep clean back offices. At the same time, a strong technology focus for last three decades has led to a increasingly complex IT systems with host of business applications that if not maintained can lead to operational bottlenecks. Complex IT systems demand more resources to maintain existing service levels and thus become less responsive to the business. Glodyne provides quality Technology Infrastructure Management Services (Technology IMS) to achieve a more efficient, agile and cost-effective IT infrastructure.

A) Technology Infrastructure Managed Services (Technology IMS)

Technology IMS division's strategy is to enable organizations to rebalance IT investment portfolios, run their businesses more cost effectively and free resources for business growth. Our offerings cover the entire technology business processes management services. Glodyne's Technology IMS Services provides the right tools and the right structure and processes, enabling IT to move up the management maturity scale and deliver more and more value.

Technology IMS - Do more with less

Our Remote management services allow 24x7 remote monitoring, management and fault diagnosis/correction for networked systems such as switches, routers, security appliances, servers and desktops. Glodyne delivers its infrastructure management services through a Tech Center in Mumbai, India with Onsite presence the US and domestic market. Glodyne is equipped with tools to handle and monitor to perform basic event correlation and vulnerability management (proactive monitoring and solving) functions. This ensures localization of management traffic of customers to the respective Onsite locations, resulting in valuable savings on bandwidth. Our Tech Center set-up has helped in faster root cause analysis and in prioritizing problems based on business impact. With our remote services our clients enjoy a faster response and resolution time while reducing the cost.

Glodyne's Remote IMS enables you to :

- Address the labor cost which is the largest addressable cost in infrastructure management.
- Use lean techniques resulting in significant productivity improvements.
- Simplification of IT management and governance tools.
- Increased transparency and proactive reporting.

B) Technology Application Managed Services (Technology AMS)

Glodyne's Technology Application Managed Services relieve the customer of the burden of capital investment in IT Infrastructure. Technology AMS provides the entire IT Infrastructure to the customer as a completely managed service thereby introducing the concept of 'benefit delivery'. Glodyne's Technology AMS provides shared infrastructure resources to the customer on a pay-by-use model which brings in the obvious benefits like shielding from Infrastructure obsolescence, continuous application upgrades, centralized infrastructure management and a rapid implementation methodology. Technology AMS converts the high Capital Investment in IT Infrastructure into a need based revenue expense.

The centralized deployment of Infrastructure allows Glodyne to apportion its capital expense across several customers and bringing in the benefits of scale. The business model brings in a better customer satisfaction and a long term commitment thereby ensuring a predictable, steady and continuous revenue stream for the organisation.

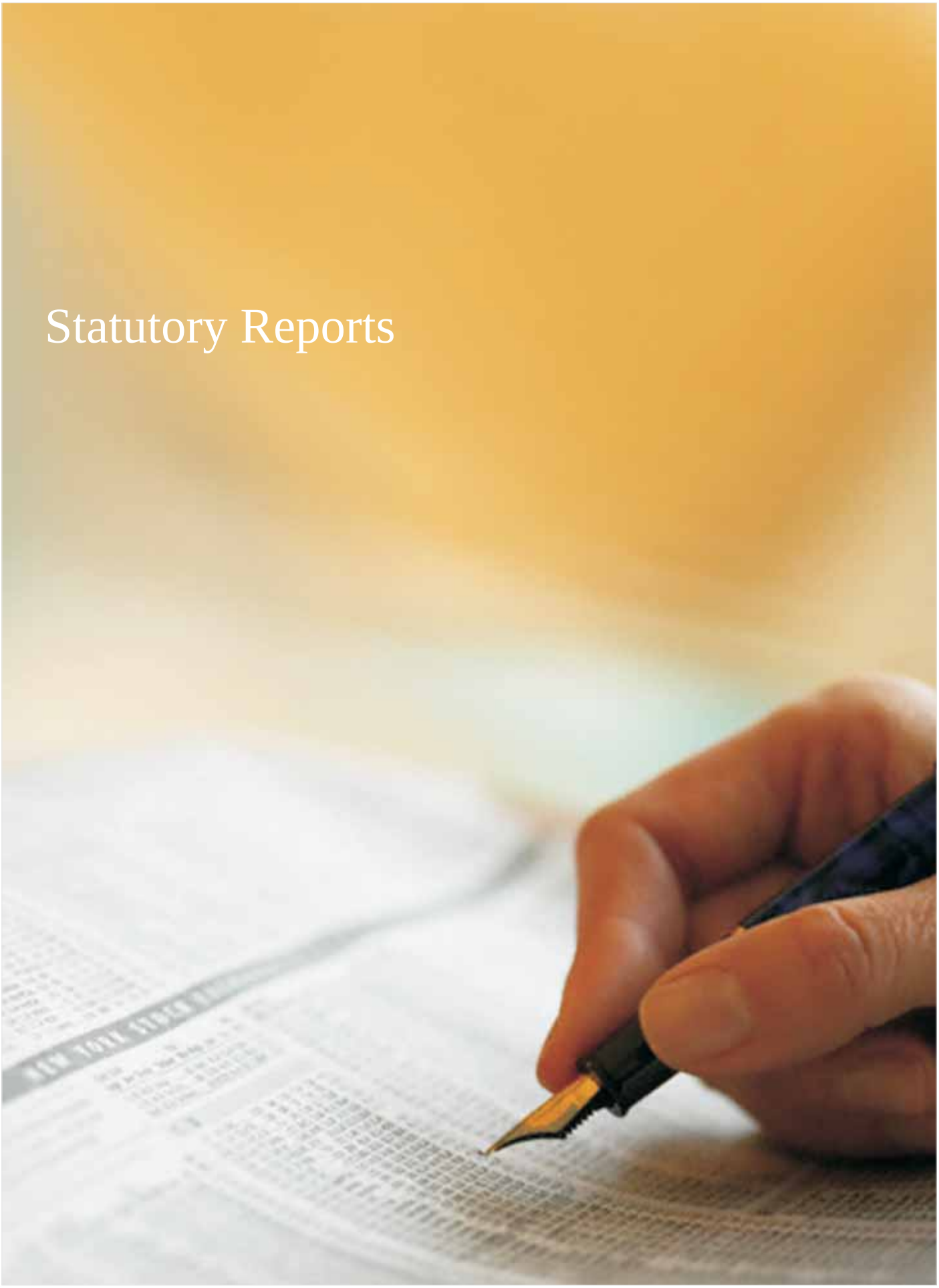
Glodyne has been building its offerings in the Technology AMS for the Human Resource Management domain. In the year 2009 the Company launched its services –"Peoplepower" to cater to the untapped desire of millions of small and mid-sized companies to own the best-of-breed HR Services for their employees.

Technology Managed Services ~ Value Proposition

Glodyne has Deep Relevant Technology Managed Services Experience which:

- Help clients to focus on the core business areas.
- Enable alignment of Business goals and IT.
- Increased productivity while simplifying IT operations.
- Enhanced performance and operational efficiencies.
- Considerable operational cost reductions and improved service levels to end-users.
- Access to a large pool of Cross Skilled Infrastructure Consultants with wide range of experience spanning across Infrastructure technologies.
- Quality as Glodyne is the Technology Managed Services specialist.
- Refined processes for enhanced service levels. Glodyne is an ISO 27001 & ISO 9001 Company and CMMI Certified.
- Best practices as Glodyne works with multiple enterprises leading to a cross-pollination of ideas, learning and best practices.

Statutory Reports



Directors' Report

To,

The Members of
Glodyne Technoserve Limited

Your Directors have pleasure in presenting the **Twelfth Annual Report**, together with the Audited Accounts for the financial year ended **March 31, 2009**.

CONSOLIDATED FINANCIAL RESULTS:

Particulars	Year Ended March 31, 2009 (Rs. In Million)	Year Ended March 31, 2008 (Rs. In Million)
Total Income	**5,110.81**	3,079.12
Profit / (Loss) Before Taxes	**980.80**	473.44
Less: Provision for Income Tax (net off short / (excess) provision for earlier years)	**184.39**	49.05
Less: Provision for deferred tax / wealth Tax / fringe benefit tax	**17.94**	18.27
Profit / (Loss) After Taxes	**778.47**	406.12
Less: Transfer to Minority Interest	**0.48**	9.30
Add: Balance brought forward from previous year	**652.37**	279.42
Less: Transfer from Debenture Redemption Reserve	**—**	4.20
Profit available for Appropriation	**1,430.36**	680.44
Less: Transfer to General Reserve	**73.75**	8.41
Less: Proposed Dividend @ 42%	**47.05**	13.22
Less: Provision for Tax on Dividend	**7.99**	2.25
Less: Transferred to Debenture Redemption Reserve	**—**	4.20
Balance carried to Balance Sheet	**1,301.16**	652.37

DIVIDEND:

The Company's performance during the year has been impressive. The Company was able to grow its top line and bottom line. Considering the healthy mix of reward to the shareholders and the need for augmenting resources for Company's expansion plans, Your Directors recommend for your approval a dividend @42% i.e. Rs. 4.2 per equity share of Rs. 10 each (Previous year Rs. 1.20). The dividend amount will absorb a total Rs. 55.05 million including corporate tax on dividend.

OPERATIONS:

The year under review was a year of turbulence for the world economy. However, your Company has been able to grow its business despite of the recession. Since your Company operates on the Operational Expenditure (non discretionary) spend of its Clients, the revenue flows were not impacted. Further, Company's business also comprises of revenues mostly from Indian geography, which were not as severely affected by recession as other countries. During the year under review, your Company recorded a growth of 63% over the previous year's revenues. The Company earned a total income of Rs. 5110.81 million as compared to last years Rs. 3079.12 Million. The Earnings before Interest, Tax, Depreciation and Adjustments (EBITDA) stood at Rs. 1050.02 million as compared to last years Rs. 563.27 Million, recording a growth of 86.42%. The Company's profit after tax stood at Rs. 778.47 Million as compared to previous year's Rs. 406.12 Million, recording a growth of 91.68 %.

NREGS PROJECT

During the year the Company started executing a large scale project for Technology Management. The said Project called "e Shakti" is for implementation of technology rollout under the National Rural Employment Guarantee Scheme (NREGS) in the State of Bihar. The Project is a 5 year contract for set up and management of the Technology Infrastructure on a Built Own Operate & Transfer (BOOT) model. The said project is being implemented thru a newly formed subsidiary

of your Company viz. Smaarftech Technologies Private Limited. The Project is an achievement for your Company; as e Governance projects / BOOT projects was one of the focus areas of your Company as outlined last year.

As the NREG Scheme is one of the flagship and socially important scheme of the Central Government, gaining experience in the implementation of such Project, would help the Company establish its credentials. The Company will endeavor and is working towards getting few more large scale e governance projects. Such projects would add up to predictability in the business of the Company.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, Mr. Ved Prakash Arya & Mr. Avtar Saini will be retiring by rotation at the ensuing Annual General Meeting.

Due to other pre occupancies and work assignments, Mr. Ved Prakash Arya & Mr. Avtar Saini, have expressed their inability to offer themselves for re-appointment. Your directors put on record the contribution made by the both these directors to the Company.

Shareholders attention is drawn to the relevant items appearing in the Notice of the A.G.M. and the explanatory statement, seeking the approval of the members in this matter.

BONUS ISSUE OF SHARES

With a view to reward our shareholders, Your Directors are pleased to recommend issue of bonus shares in the ratio of 1:1, i.e. one additional equity share of Rs. 10/- each for every one existing equity share of Rs. 10/- each held by the members on the date to be fixed by the Board in the forth coming Extra Ordinary General Meeting of the Company scheduled to be held on 12th August, 2009, by capitalizing the amount standing to the Share Premium Account & Profit and Loss Account for the year ended March 31, 2009.

In accordance with the Employee Stock Option Scheme 2006 (ESOS 2006), the holders of the employees stock options under the Employees Stock Option Scheme 2006 of the Company shall be given benefit of this Bonus issue by making necessary adjustments by way of increase in number of shares and/or reduction in exercise price per share to be issued and allotted against exercise of options by them.

INCREASE IN SHARE CAPITAL

During the year under review, as per the approval granted by the members of the Company at the 11th Annual General Meeting, Authorised Share Capital of the Company was increased from Rs. 15,00,00,000/- (Fifteen Crores Only) to Rs. 25,00,00,000/- (Twenty Five Crores) divided in to 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- each and 50,00,000 (Fifty Lakh) Preference Shares of Rs. 10/- each.

During the year, the Company issued 231,599 equity shares of the face value of Rs. 10/- each on the exercise of Stock Options under the Employee Stock Option Scheme of the Company. Consequently the paid-up capital of the Company has been increased from 1,08,77,624 shares to 1,11,09,223 shares of Rs. 10/- each as of March 31, 2009.

In view of the proposed bonus issue, it is proposed to increase the present Authorised Share Capital of the Company to Rs. 37,00,00,000/- (Thirty Seven Crore) divided into 3,20,00,000 (Three Crore Twenty Lakh) Equity Shares of Rs. 10/- each and 50,00,000 (Fifty Lakh) Preference Shares of Rs. 10/- each, by creation of 1,20,00,000 (One Crore Twenty Lakh) Equity Shares of Rs. 10/- each.

EMPLOYEES STOCK OPTION SCHEME

In accordance with the Employee Stock Option Scheme of the Company, a total number of 49,510 options were granted during the year by the Compensation Committee. The particulars required under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are annexed to and form part of this report. No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

CORPORATE GOVERNANCE

A separate section on Corporate Governance Report and a Certificate from the Company's Statutory Auditors confirming compliance with the conditions of Corporate Governance by the Company as stipulated in Clause 49 of the Listing Agreement are annexed to and forming part of this report.

STATUTORY INFORMATIONS:CONSERVATION OF ENERGY, EFFORTS FOR EXPORT MARKET DEVELOPMENT, R & D ACTIVITIES, FOREIGN EXCHANGE EARNINGS & OUTGO AND TECHNOLOGY ABSORPTION:

As required under Section 217(1) (e) of the Companies Act, 1956 and the rules made there under, the necessary details are given hereunder:

Conservation of Energy

Your Company's business comprises of Technology IMS and Software Services and related activities. Hence the operations do not have intense energy requirements. Therefore, there are no particulars required to be furnished in respect of conservation of energy. However, at your Company's offices and facilities various energy conservation measures are undertaken including use of technology equipments which make optimal use of energy resources, at all the stages of its activities.

Export Market Development

Your Company's organic subsidiary as well as the acquisitions done in overseas market has helped it grow its business in foreign markets and earn foreign exchange thru exports. Due to serving increased number of clients from India, your Company has been able to earn foreign exchange. Your Company's wholly owned subsidiaries, act as a marketing and delivery arm of the Company to increase the export revenue and tap the overseas market.

Research & Development Activities

Your Company has been investing in the research and development activities in its business areas including specific areas like process changes for service delivery, up gradation / customization of the products / solutions offered by the Company, version enhancements, security features to serve the Customers beyond their expectations. Anticipating and keeping in line with the technology changes and accordingly taking measures to ensure that the Company benefits from them, the R& D activities are carried out by the Company.

Foreign Exchange Earnings and Outgo / Technology Absorption

During the year under review, the Company has earned Rs. 870.93 Million in foreign currency (Previous year Rs.377.32 Million) and has spent Rs. 0.27 Million (Previous year - Rs. 0.20 million).

The Company's Technology Centres have achieved ISO 27001 Certification. Various technological advancements and changes are absorbed by the Company through various systematic measures. The Company provides requisite training to employees on such technological advancements and provides newer technology and tools to the employees for applying in the project execution.

DISCLOSURE OF PARTICULARS UNDER SECTION 217(2A):

The disclosure about the details of the employees drawing 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 year under review forms part of this report. The prescribed details of the employee are annexed to and form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

(i) that in the preparation of the accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that 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 under review and of the profit for the year under review;

(iii) that 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;

(iv) that the Directors have prepared the accounts for the financial year ended March 31, 2009 on a going concern basis.

SUBSIDIARY COMPANIES:

As on March 31, 2009, your Company has six subsidiary companies. The subsidiaries include Glodyne Technoserve Inc., Glodyne Technoserve East Inc., Front Office Technologies, Inc. Intercon Management Services Private Limited (now known as Glodyne Peoplepower Private Limited) and Glodyne Technoserve Singapore Pte Limited. The Company also formed a new subsidiary during the year viz. Smaarftech Technologies Private Limited as a Special Purpose Vehicle (SPV) for executing the NREGS Project.

As per section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to its Balance Sheet. Under Section 212 (8) of the Companies Act, 1956, the Central Government has the power to grant exemption from this requirement. The Company made necessary application to the Central Government, as the Company presents the audited consolidated accounts of the Company and its subsidiaries in this Annual Report. Your Directors believe that the audited consolidated accounts, present a full and fair picture of the state of affairs and financial conditions of the Company and its subsidiaries, as per global practice.

The Central Government has vide its letter ref. no. 47/514/2009-CL-III granted its exemption to the Company. Therefore the Annual Report of your Company does not contain separate financial statements of these subsidiaries, but contains audited consolidated financial statements of the Company and its subsidiaries. However, a statement of the Company's interest in the subsidiaries and a summary of the financials of the subsidiaries is given along with the consolidated accounts. The annual accounts of the subsidiaries along with the related information will be made available to the Members seeking such information at any point of time. The annual accounts of the subsidiaries are also available for inspection during business hours at the Registered Office of the Company as well as of the subsidiaries.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits falling within the purview of Section 58A of the Company's Act, 1956 and as such, no principal or interest amount was outstanding on the date of the Balance sheet.

REDEMPTION OF DEBENTURES

Out of the 126,000 Non Convertible Redeemable Debentures of Rs. 100/- each issued to Wipro Limited & 84,000 Non Convertible Debentures outstanding at the beginning of the year, the Company has redeemed and cancelled Non Convertible Debentures of the nominal amount of 42,00,000/- (Forty Two Lakh). The Nominal amount outstanding after redemption is Rs. 42,00,000/- (Forty Two Lakh) which is redeemable in the financial year 2009-10.

AUDITORS:

The Present Statutory Auditors of the Company M/s. Nilesh M. Kapadia & Co., Chartered Accountants, Mumbai, hold their office until the conclusion of the ensuing Annual General Meeting. The present auditors have confirmed their willingness and eligibility under Section 224(1B) of the Companies Act, 1956 for their reappointment for the financial year ending 2009-10 at a remuneration to be decided by the Board of Directors or Committee thereof. Your Directors recommend their re-appointment at the ensuing Annual General Meeting for your approval.

HUMAN CAPITAL:

The Company has been able to attract and retain human resources, which are key elements for the functioning for the business of the Company. The attrition rate of your company's employees' has been below the industry average. Your Company carries out various initiatives for encouraging and motivating the employees and provides opportunities for growth in congruence with the Company's goals.

QUALITY INITIATIVES

The Company follows the global best practices for process excellence and is accredited with the ISO 27001 Certification during the year, the highest certification standard on information security available from ISO thereby joining the selected list of global IT Companies in India that complies with this security standard. The Company was also accredited with the CMMI Certification.

AWARDS & ACCOLADES

Glodyne Technoserve Limited has been named as winner in the *Deloitte Technology Fast 500 Asia Pacific 2008 Program & Deloitte Technology Fast 50 India 2008 Programme*, an award which acknowledges and honors fast-growing technology companies across Asia Pacific.

During the year, the Company was also super ranked as 32nd among the Top 1000 Corporate Giants in India by Business Standard based on various parameters.

ACKNOWLEDGEMENTS:

The Board of Directors put on record their sincere thanks to the clients, vendors, bankers, media, analysts for their continued support and co-operation.

Your Directors also place on record their appreciation for the business associates and shareholders. Your Directors also thank all the Government and regulatory authorities connected with the Company's business for their support during the year. Your Directors also appreciate the contribution and hard work of the employees at all levels for the growth of the organization.

For and On Behalf of the Board

Sd/-

Annand Sarnaaik
Chairman & Managing Director

Place : Mumbai
Date : June 30, 2009

Annexure to the Directors' Report

Information to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(during the F.Y. ended March 31, 2009:

(a)	Options granted	49,510	
(b)	Pricing Formula	Price of shares on the Stock Exchange on the trading day preceding the date of grant	
(c)	Options vested	3,30,864	
(d)	Options Exercised	2,31,599	
(e)	The total number of shares arising as a result of exercise of option	2,31,599	
(f)	Options lapsed	Nil	
(g)	Variation of terms of options	N.A.	
(h)	Money realised by exercise of options	Rs. 178,64,033.20	
(I)	Total number of options in force	4,71,893	
(j)	Employee-wise details of options granted to:		
	(i) Senior Managerial Persons	Name	Options Granted during the year ended March 31, 2009
		N.A.	N.A.
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	5 Employees	
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	
(k)	Diluted Earnings Per Share (EPS)	Rs. 66.09	
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been higher by Rs. 17,441,426/-. Profit after tax lower by Rs.17,441,426/- and the basic and diluted earnings per share would have been lower by Rs. 1.58 & Rs. 1.52 respectively.	
(m)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N.A.	
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair-value of the stock options granted on 31/10/2008 have been calculated using Black-Scholes Options pricing Formula and the significant assumptions made in this regard are as follows: **31/10/2008**	
	(i) risk-free interest rate,	9.28% - 9.39%	
	(ii) expected life,	2.5 years	
	(iii) expected volatility,	72.07%	
	(iv) expected dividend yield, and	0.82%	
	(v) exercise price	Rs. 257.00	
	(vi) stock price as on the date of grant	Rs. 257.00	

Particulars of Employees under Section 217 (2A) of Companies Act, 1956

Sr. No.	Name & Age	Designation of the Employee	Remuneration received (Rs. in Lakhs)	Nature of Employment	Qualification & Experience of Employment	Date of commencement	Last Employment
1	Annand Sarnaaik, 41	Chairman & Managing Director	66.00	Overall management of the company	B.E. M.B.A., 18 years	25.09.2007	-
2	Divvyani A. Sarnaaik, 38	Executive Director	54.00	Overall management of the company	B.Com, M.B.A., 18 years	25.09.2007	-
3.	Vikas Pathak, 49	Sr. Vice President & Head - Human Capital & Admn. (Global Operations)	34.40	Whole time Employee	B.Com. (Hons.) P.G. in Personnel Management 27 years	18.08.2007	Genisys Software
4.	Joy Ghosh,* 45	Sr. Vice President - Sales & Mktg. (HR Services Business)	18.31	Whole time Employee	B.E. (Electrical) PGDM 21 years	09.09.2008	Infosys BPO Limited

* Indicates earnings for part of the year

Notes:

1. Remuneration includes Salary, bonus, Company's contribution to Provident Fund, Medical Reimbursement, etc.
2. Mr. Annand Sarnaaik and Mrs. Divvyani A. Sarnaaik are Directors of the Company, related to each other and singly and jointly holds more than 2% of paid-up share capital of the Company.
3. None of the other employees is a relative of any Director of the Company.
4. Other than asterisk marked employee, all other employees were employed for whole of the year.
5. The nature of duties in case of all employees are contractual.

Report on Corporate Governance

I. The Company's Philosophy

Glodyne perceives Corporate Governance as an endeavor for transparency, accountability and a wholehearted approach towards establishing Professional Management, aimed at continuous enhancement of Shareholders' value. The Company understands and respects its fiduciary role and responsibility to the shareholders and strives hard to meet their expectations.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

II. Board of Directors

A) Composition of Board of Directors:

The Chairman & Managing Director along with the other Executive Director manages the day – to – day affairs of the Company. The Company has an optimum combination of executive and non-executive directors for its independent functioning with sixty seven percent of the Board of Directors comprising of non-executive directors. All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company is disclosed in the Annual Report. As on the date of this report, the Board comprises of 6 Directors, consisting of 2 Executive Directors and 4 Non-Executive Directors. All 4 Non-Executive Directors are Independent Directors. The Chairman of the Company is Executive Chairman and the composition of the Board of Directors is consistent with the provisions of the Clause 49 of the Listing Agreement.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships / Chairmanship held by them in other Companies are given below:

Name of Directors	Category	FY 2008-09 Attendance at		As on 31st March, 2009		
		BM	LAST AGM	Directorships in other companies#	Other Committee Position	
					Member	Chairman
Mr. Annand Sarnaaik	Promoter & Executive Director	4	YES	1	-	-
Mrs. Divvyani A. Sarnaaik	Promoter & Executive Director	4	YES	1	-	-
Mr. Dhiren B. Kothary	Independent & Non-Executive Director	4	YES	2	-	-
Mr. Ved Prakash Arya	Independent & Non-Executive Director	4	YES	-	-	-
Mr. Y. Krishnamurthy	Independent & Non-Executive Director	4	YES	-	-	-
Mr. Avtar Saini	Independent & Non – Executive Director	3	YES	-	-	-

Includes directorships in Public Limited Companies only.

There is no nominee Director on the Board of the Company.

B) Non Executive Directors' Compensation and Disclosures:

Non Executive Directors on the Board of the Company are paid sittings fees for attending the Board meetings, Audit Committee and Investors' Grievance Committee meetings. All such fees paid to the Non Executive

Directors are fixed by the Board of Directors. The Shareholders of the Company at their ninth Annual General Meeting had approved the payment of commission to the Non-Executive Director's up to 1% of the profit of the Company. However, no such commission has been paid to the Non-Executive Directors for the year under consideration. During the financial year ended March 31, 2009, No stock options under the Employees Stock Option Scheme, 2006 were granted to the Non Executive Directors. Details of the fees paid to the Non Executive Directors are disclosed else where in this report.

C) Other provisions related to Board and Committees:

No of Board Meetings held during the year:

During the financial year 2008 – 2009, **four** Board Meetings were held. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. Leave of Absence was granted to the Directors as requested by them. All the information required to be placed before the Board as per Clause 49 of the Listing Agreement was made available to the Board. The dates on which the said meetings were held were as follows:

April 30 2008; July 30, 2008; October 24, 2008; & January 28, 2009.

The Directors of the Company have confirmed to the Board that none of them is a member of more than ten committees or a Chairman of more than five committees across all the Companies in which they are acting as Directors. The necessary disclosures regarding Committee positions have been made by the Directors. For the purpose of reckoning this limit Membership / Chairmanship of Audit Committee and Investor's Grievance Committee only are considered.

III. BOARD COMMITTEES

The Board of Directors of the Company has formed following committees for the effective exercise of powers and responsibilities as envisaged in Clause 49 of the Listing Agreement.

A. Audit Committee

In accordance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, an independent and qualified Audit Committee of the Board consisting of three Independent and one Non-Independent Director, has been constituted.

Four Audit Committee Meetings were held during 2008-09. The dates on which the said meetings were held were as follows:

April 30 2008; July 30, 2008; October 24, 2008; & January 28, 2009.

The Composition of and the details of the Audit Committee meetings held are given below:

Name	Designation / Category	No. of Meetings attended during the year 2008-09
Mr. Dhiren B. Kothary	Chairman (Independent)	04
Mr. Y. Krishnamurthy	Member (Independent)	04
Mr. Ved Prakash Arya	Member (Independent)	04
Mr. Annand Sarnaaik	Member (Non – Independent)	04

The terms of reference of the Audit Committee are broadly as follows:

a) To review compliance with internal control systems;

b) To review the findings of the Internal Auditor relating to various functions of the Company.

c) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;

d) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;

e) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Statutory & Internal Audit Reports;

f) Recommending the appointment of Statutory Auditors and also fixation of their remuneration.

g) Reviewing with the management, the annual financial statements before submission to the board for approval, with the particular reference to:

1) matter required to be included in the Directors Responsibility Statement forming part of the Board's report in terms of clause (2AA) of Section 217 of Companies Act, 1956.

2) Changes if any, in accounting policies and practices and reasons for the same.

3) Major accounting entries involving estimates based on the exercise of judgement by management.

4) Significant adjustments made in financial statement arising out of audit findings.

5) Compliance with listing and other legal requirements relating to financial statement.

6) Disclosure of any related party transactions.

7) Qualifications in draft Auditors' Report, if any.

h) To review financial statements including investments made by Unlisted Subsidiary Companies.

The Company Secretary acts as a Secretary to the Committee.

B. Remuneration Committee

In accordance with Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement, a Remuneration Committee has been constituted to deliberate and determine on matters like the remuneration payable to, terms and conditions of appointment and other matters relating to Executive Directors / managerial persons; to deliberate and recommend on the structuring of the remuneration package and formulate remuneration policies.

No Meeting of the Remuneration Committee was held during 2008-09.

The Company Secretary acts as Secretary to the Committee.

Remuneration Policy:

The Company's remuneration policy is directed towards rewarding performance and achievements. The remuneration consists of basic pay, perquisites, performance allowances, bonus, incentives and commission. The remuneration and structure varies as per the various grades depending upon the job responsibilities, qualifications, experience etc. The policy aims to drive the human resources to achieve higher levels of performance, reward the merits and work as a motivating force.

The remuneration of the Executive Directors is approved by Remuneration Committee, the Board of Directors and the shareholders of the Company.

Details of remuneration to all the Directors for the F.Y. 2008 -2009:

(Rs. in 'Lakhs')

Name	Salary includes Perquisites, Commission & Bonus	Sitting Fees	Total
Annand Sarnaaik	66.00	-	66.00
Divvyani A. Sarnaaik	54.00	-	54.00
Ved Prakash Arya	-	0.40	0.40
Dhiren B. Kothary	-	0.40	0.40
Y. Krishnamurthy	-	0.36	0.36
Avtar Saini	-	0.18	0.18

Notes:

a) Salary includes Medical Benefits, Group Hospitalisation Benefits, Leave Travel Allowance, Privileged Leave, unutilized privileged Leave, Gratuity, Commission, etc. No performance linked incentives were paid to the Directors.

b) Mr. Annand Sarnaaik & Mrs. Divvyani A. Sarnaaik were appointed as Chairman & Managing Director and Executive Director respectively for a term of five years from 25.09.2007 and hold office till 24.09.2012. The appointment is on contractual basis, which can be terminated with six months' notice period for severance and no fees for severance.

c) No commission has been paid to the Non-Executive Directors of the Company. Non-Executive Directors of the Company are paid sitting fees for attending Board / Committee Meetings as approved by the Board within the limits prescribed under the Companies Act, 1956.

d) The Company did not have any material pecuniary relationships or transactions with the Non-Executive Directors.

C. Shareholders/ Investors' Grievance Committee

An Investors' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc.

Four meetings of the Investors' Grievance Committee were held during the year 2008- 09.

April 30 2008; July 30, 2008; October 24, 2008; & January 28, 2009.

The Composition of the Investors' Grievance Committee and details of the meetings attended by the Directors are given below:

Names of Members	Category	No. of Meetings attended during the year 2008-09
Mr. Ved Prakash Arya	Chairman (Independent)	04
Mr. Dhiren B. Kothary	Member (Independent)	04
Mrs. Divvyani A. Sarnaaik	Member (Non- Independent)	04

The Company Secretary acts as a Secretary to Committee.

Shareholder/Investor Complaints

Complaints pending as on 1st April, 2008	:	**NIL**
During the period 1st April, 2008 to 31st March, 2009, complaints identified and reported under Clause 41 of the Listing Agreements	:	**25**
Complaints disposed off /resolved during the year ended 31st March, 2009	:	**25**
No. of complaints not resolved to the satisfaction of shareholders	:	**NIL**
Complaints pending as on 31st March, 2009	:	**NIL**

D. Managing Committee

A Managing Committee of Board of Directors has been constituted to take decision on the routine matters within the scope of its authority. It enables the management to take quick decisions on the day to day matters pertaining to the routine business and to save the valuable time of the Board as well as to avoid the administrative difficulties. The Managing committee had met frequently during the year under review to manage its day to day functions.

E.. Compensation Committee

A Committee of the Board named Compensation Committee, consisting of executive & non - executive directors, has been formed, primarily to administer the Employee Stock Option Scheme 2006 of the Company. The brief description of terms of reference include:

Formulating detailed terms and conditions of ESOS, managing and supervising the scheme, framing of suitable policies and systems to ensure compliances with applicable rules and regulations and to perform such other functions, that the Committee is required under SEBI's guidelines, recommending the overall compensation structure of the Organization and review thereof as required by the Management. To formulate detailed terms and conditions of the Employee Stock Option Scheme including the quantum of options to be granted under the scheme, the conditions under which options vested in employees may lapse in case of

termination of employment, the exercise period within which the employee shall exercise the option and the option would lapse on failure to exercise the option within the exercise period, the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee, etc.

F. Employee Stock Option Scheme Committee:

The Committee was formed as Employee Stock Option Committee, 2006 inter alia to administer the exercise of stock options and matter relating to allotment of shares consequent to exercise of options and listing of shares. During the year, the Company has allotted stock options to its Directors / Employees viz. on June 10, 2008; September 18, 2008 & March 19, 2009 amounting to 2,31,599 Shares of Rs. 10/- each. Out of 2,31,599 shares, 4800 shares were allotted to the Independent Directors of the Company.

Mr. Annand Sarnaaik & Mrs. Divvyani A. Sarnaaik, are the Members of the said Committee.

G. Subsidiary Companies:

The Company has 6 subsidiary Companies, out of which 4 of them are Foreign Companies and 2 are Indian Companies. As on March 31, 2009, the Company does not have any material non-listed Indian subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary Company.

H. MANAGEMENT DISCUSSION & ANALYSIS

A detailed report on the Management Discussion and Analysis prepared in accordance with Sub-clause F (i) of Clause 49 is enclosed and forms part of this Annual Report.

I. DISCLOSURES

i. Related Party Transactions

Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large. However, the particulars of transactions between the Company and the related parties as per the Accounting Standard 18 are set out in Note 11 of Schedule L Part-B forming part of the accounts.

The Accounts have been drawn in accordance with relevant Accounting Standards. The Company periodically carries Risk Analysis & Management procedure review through systematic framework.

ii. Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities & no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the capital markets during the last three years.

iii. Mandatory requirements of Clause 49

The Company has complied with all the mandatory requirements as per Clause 49 of the Listing Agreement.

iv. Non Mandatory requirements of Clause 49

The Company has adopted the non-mandatory requirement of Whistle-Blower Policy as prescribed in Annexure ID to Clause 49 of the Listing Agreement. The Company affirms that no employee of the Company has been denied access to the Audit Committee.

v. Code of Conduct

The Board has laid down two separate Code of Conduct (Codes), one for Board Members and other for Senior Management of the Company. These Codes have been posted on the Company's website http://www.glodynetechnoserve.in. All Board Members and Senior Management Personnel have affirmed compliance with these codes. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this report.

vi. Secretarial Audit

A qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

J. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings held, were as under:

Financial Year	Location	Date	Time	Special resolutions passed
2007 -2008	Ground Floor, Exchange Plaza (NSE Building), Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	29.09.2008	11.00 A.M	1. Alteration in Memorandum of Association consequent to increase in Authorized Capital. 2. Alteration of Articles of association consequent to increase in Authorized Capital. 3. Approval for Investment by Foreign Institutional Investors (FIIs) in the equity share capital of the Company not exceeding, 49% of the paid-up Equity Share Capital of the Company. 4. Raising funds in domestic / international markets by way of Public/Private issue / offering of FCCBs or GDRs. 5. Raising funds by way of placement shares and/or other permitted securities to Qualified Institutional Buyer through QIP placement
2006 -2007	MIG Club, Bandra (E), Mumbai – 400051.	24.09.2007	12.30P.M.	1. Re -appointment of Mr. Annand Sarnaaik for a period of 5 years as Chairman & Managing Director & approval of remuneration for a period of 3 years. 2. Re -appointment of Mrs. Divvyani A. Sarnaaik for a period of 5 years as Executive Director & approval of remuneration for a period of 3 years. 3. Change of name of the Company from Paradyne Infotech Limited to Glodyne Technoserve Limited and consequent Alteration of Memorandum & Articles of Association. 4. Increased the maximum number of Stock options to be granted to each Non – Executive Directors from 2400 Shares to 3000 Shares and maximum number of stock options to be granted in aggregate to all non executive directors from 2400 shares to 100,000 shares.

Financial Year	Location	Date	Time	Special resolutions passed
2005 -2006	MIG Club, Bandra (E), Mumbai – 400051.	29.09.2006	02.00 PM	1. Alteration in Memorandum of Association consequent to increase in Authorized Capital. 2. Alteration of Articles of Association consequent to increase in Authorized Capital. 3. Payment of Commission to Non Executive Directors up to 1% of Net Profit. 4. Approval of Employees stock Option Scheme for the employees of the Parent Company 5. Approval of Employees stock Option Scheme for the employees of the Subsidiary Company.

There was no special resolution passed last year through postal ballot nor it is proposed to conduct any special resolution through postal ballot at the ensuing Annual general Meeting.

K. SHAREHOLDERS

According to the Articles of Association, one-third of the Directors retires by rotation and if eligible, seeks re-appointment at the Annual General Meeting of shareholders. As per Article 120 of the Articles of Association Mr. Ved Prakash Arya & Mr. Avtar Saini will retire at the ensuing 12th Annual General Meeting of the Company. However, due to other pre occupancies and work assignments, Mr. Ved prakash Arya & Mr. Avtar Saini, have expressed their inability to offer themselves for re-appointment. Your directors put on record their appreciation towards the contribution made by both the these directors to the Company.

a) Directors' shareholding as on March 31, 2009:

Name of Director	No. of Shares	% of total share capital
Executive Promoter Directors		
1. Annand Sarnaaik	4417863	39.77
2. Divvyani A. Sarnaaik	2642363	23.79
Non Executive Directors		
3. Ved Prakash Arya	0	0.00
4. Dhiren B. Kothary	2400	0.02
5. Y. Krishnamurthy	1900	0.17
6. Avtar Saini	0	0.00

As on March 31, 2009, all the present Non Executive Directors hold 13,600 stock options put together, of the Company.

c) Means of communication:

The Company has promptly reported to all the Stock Exchanges where the securities of the Company are listed, its quarterly / half yearly / annual financial results. The Company's periodical financial results as well as the press releases are displayed on the website of the Company – www.glodynetechnoserve.in. The financial results are published in one English and one Marathi daily newspaper, normally in Business Standard and Sakal / Lokmat respectively. They are also uploaded on the SEBI's EDIFAR website www.sebiedifar.nic.in. The Company also simultaneously sends to the Stock Exchanges press releases, if any, issued by it.

Since the periodical financial results are published in leading newspapers and posted on the Company's website, the results are not sent to the households of the shareholders. No presentations were made to Institutional Investors during the year.

L) General shareholder information

Date and time of Annual General Meeting	Monday, August 24, 2009 at 11.00 A.M.
Venue of Annual General Meeting	Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.
Financial year	April 01 to March 31
Board Meetings	
Financial reporting for the first quarter ending June 30, 2009	By end of July, 2009
Financial reporting for the second quarter ending September 30, 2009	By end of October, 2009
Financial reporting for the third quarter ending December 31, 2009	By end of January, 2010
Financial results for the year ending March 31, 2009	By end of April, 2010 if Un-audited and June 2010 if audited
General Meeting	
Annual General Meeting for the year ending March 31, 2010	July / August 2010
Date of Book closure for dividend	August 24, 2009
Dividend Payment Date	Dividend if declared will be paid on or after August 24, 2009 i.e. within 30 days from the date of declaration at the ensuing Annual General Meeting of the Company.
Listing on Stock Exchanges	Glodyne Shares are traded on 1. Bombay Stock Exchange Scrip Code: 532672 2. National Stock Exchange of India Scrip Code: GLODYNE

The ISIN of Company's equity shares with NSDL and CDSL is INE932G01013

The Annual listing fees for the year 2009-10 has been duly paid to the stock exchanges pursuant to clause 38 of listing agreement on which the Company's shares are listed. Annual Custodian Fees for the financial year 2009-10 have been paid to NSDL/CDSL.

7) Market Price Data

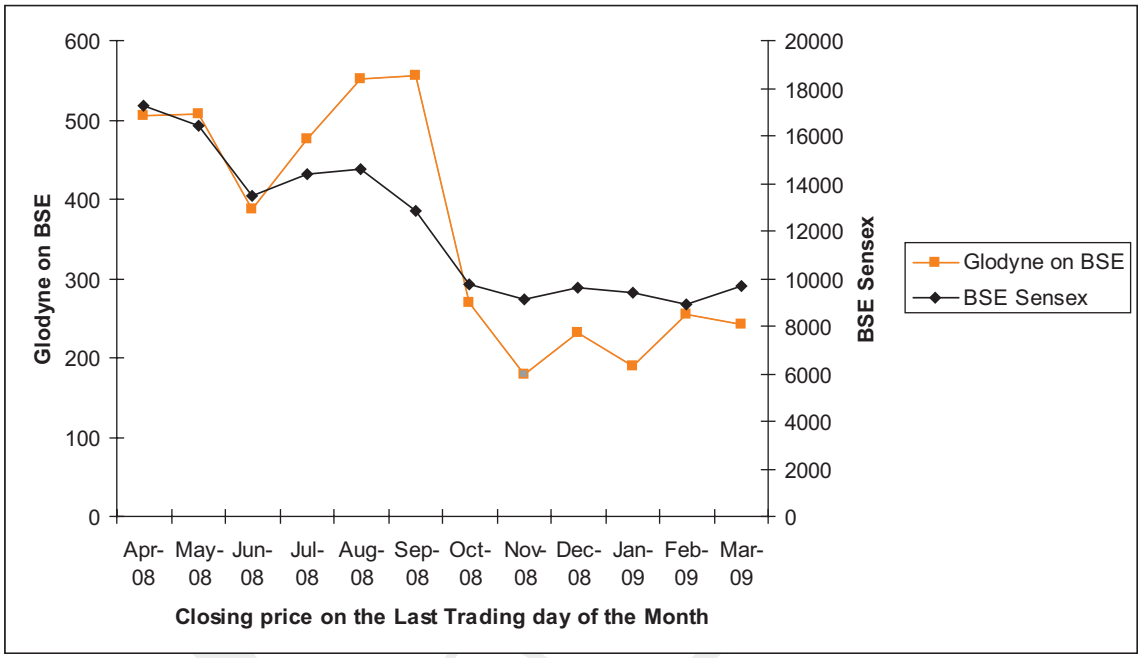
a) Monthly high and low prices:

The monthly high and low prices of the Company's shares traded at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended March 31, 2009, as given below.

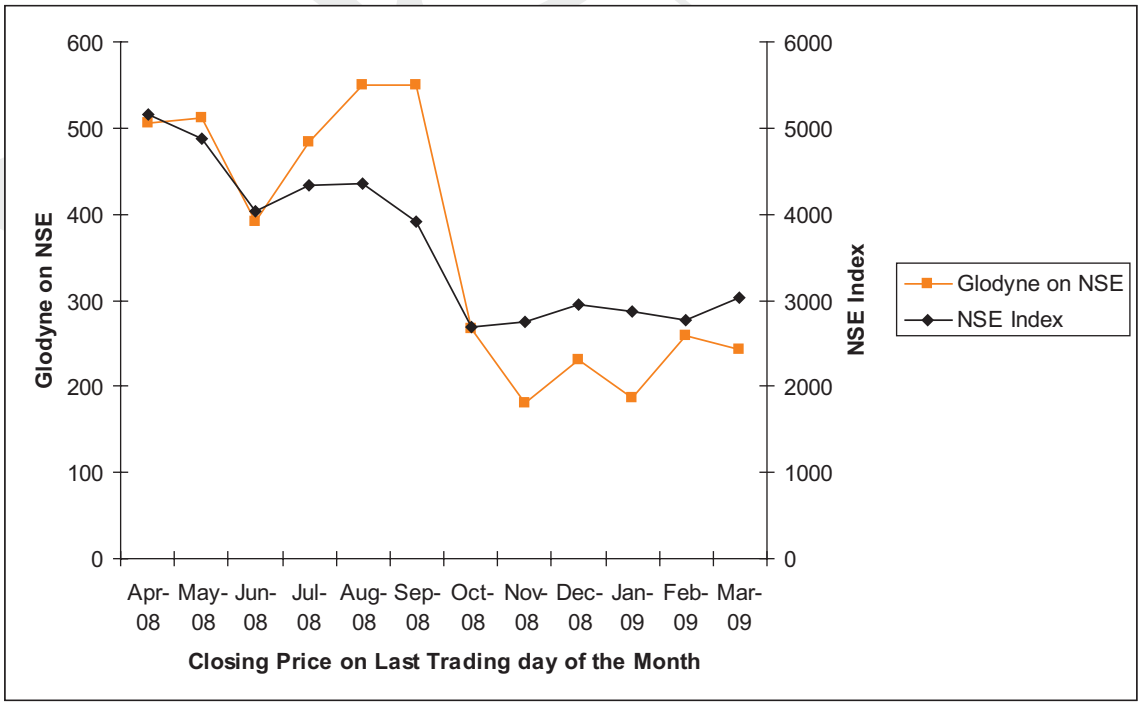
Month & Year	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2008	537.90	411.00	543.00	407.05
May 2008	574.35	485.00	574.00	460.00
June 2008	537.95	384.55	530.00	410.05
July 2008	486.95	365.20	469.00	353.00
August 2008	624.00	474.00	623.00	475.00
September 2008	699.00	489.00	700.00	535.55
October 2008	568.75	206.15	569.95	205.80
November 2008	319.50	178.05	320.00	180.75
December 2008	241.00	167.25	240.00	165.00
January 2009	250.00	167.00	246.00	165.15
February 2009	263.25	161.50	262.80	162.00
March 2009	263.90	200.00	262.25	205.00

b) Performance in comparison to broad based indices:

The Performance of the Company's Share relative to the BSE Sensex is given in the chart below:



The Performance of the Company's Share relative to the NSE Sensitive Index (S&P CNX Nifty index) is given in the chart below:



8) Registrar & Transfer Agent

Bigshare Services Private Limited is the Registrar & Share Transfer Agent (R&T Agent) of your Company. The R & T agent has adequate infrastructure and skill set to service the investors. Shareholders correspondence should be addressed to the R&T Agent of the Company, at the correspondence address mentioned in point 15 below.

9) Share transfer system

Request for share transfer in physical form, along with necessary documents duly completed, once lodged with the Registrar & Transfer Agent are normally processed within 15 days. The Registrar & Transfer Agent also processes all dematerialization / rematerialization requests, within the prescribed time. The Investors' Grievance Committee is also empowered to approve the share transfer requests, request relating to issue of share certificates on account of split / consolidation, duplicate issue, remat of shares etc. The Demat Status report and the bought and sold report in respect of the shares held in demat form are periodically reported to the Committee / Board.

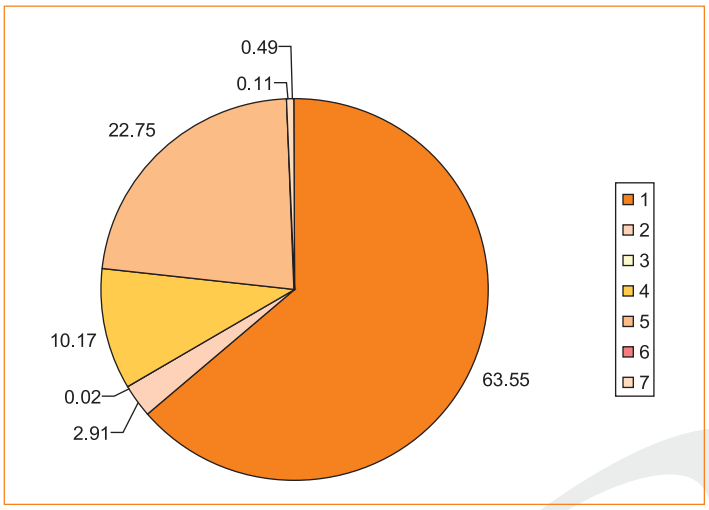
10) Distribution of shareholding as on March 31, 2009

Distribution of shareholding by number of shares held:

Range (In Rs)	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1 - 5000	4,962	90.25100	5560300	5.00
5001 - 10000	229	4.16515	1804370	1.62
10001 - 20000	112	2.03710	1729100	1.56
20001 - 30000	54	0.98218	1350680	1.22
30001 - 40000	33	0.60022	1154580	1.04
40001 - 50000	20	0.36377	914600	0.82
50001 - 100000	36	0.65478	2494470	2.25
100001 - 99999999	52	0.94580	96084130	86.49
Total	**5,498**	**100.00**	**111092230**	**100.00**

Distribution of shareholding by ownership

Category code	Category of shareholder	Total Number of shares	Total shareholding as a percentage of total number of shares
(A)	**Shareholding of Promoter and Promoter Group**		
	Indian		
1.	Promoter Individuals	7060226	63.55
2.	Relatives of Promoters	323250	2.91
	Foreign	0	0
	Total Shareholding of Promoter and Promoter Group	**7383476**	**66.46**
(B)	**Public shareholdings**		
	Institutions		
3.	Financial Institutions/ Banks	2700	0.02
	Non-institutions		
4.	Bodies Corporate	1129323	10.17
5.	Individuals -	2527351	22.75
6.	Any Other - Clearing members	12190	0.11
7.	- NRI	54183	0.49
	Total Public Shareholding	**3725747**	**33.54**
	TOTAL (A) + (B)	**11109223**	**100.00**



11) Dematerialisation of shares

Your Company's shares can only be traded in compulsory demat segment in the stock exchanges. As on March 31, 2009, 99.88% of the Company's shares are held in electronic form. The break up of shares in physical and demat form as on March 31, 2009 is as follows:

Category	No. of shares	% of total shares
Shares in Demat form	1,10,95,645	99.88
Shares in Physical form	13,578	0.12
Total	**1,11,09,223**	**100.00**

12) Outstanding GDRs/ ADRs / warrants/convertible instruments and their conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants as on March 31, 2009. During the year, the Company has issued stock options pursuant to the Glodyne Employee Stock Option Scheme, 2006. The details of the same are given in the annexure to the Directors' report. The impact of the same has been taken into consideration while calculating the Earnings Per Share (EPS) and has been disclosed in the accounts of the Company.

13) Share Transaction Regulatory System in place for controlling Insider Trading

A Policy on Insider Trading has been implemented and continues to be in force since November 2005. This Policy deals with the rules, regulations and process for transactions in the shares of the Company and shall apply to all transactions and for all associates in whatever capacity they may be, including Directors. This code forms part and parcel of the service conditions of the employees of the Company.

14) Office locations

Since the Company is in the service industry, it does not have any plant locations. The office locations are given below.

Registered Office	:	801, Balarama Building, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051.
Corporate Office	:	C/03, Ground Floor, Fortune 2000, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.
Support Center	:	53/2476, Radheshyam, Gandhinagar, Bandra (E), Mumbai – 400 051.
Tech Center	:	Unit no. 215, Building No. 2(A-3), Sector I, Millennium Business Park (MBP), Mahape, Navi Mumbai.

Subsidiaries	:	**Glodyne Technoserve Inc.,** 2700, Augustine Drive, Suite 190, Santa Clara, California 95054. U.S.A.
		Smaarftech Technologies Pvt. Limited Plot 538, A.G. Place, East Boring Canal Road, Patna-800 001.
Other office locations		
Pune	:	103/104, Monoplex Plaza, Deep Bungalow Chock, Model Colony, Pune - 411 016.
Bangalore	:	207 & 208 - Raheja Chambers, Museum Road, Bangalore – 560001.
Delhi	:	15th Floor, Atma Ram House No. 1, Tolstoy Marg, New Delhi - 110001.

15) Address for correspondence

All correspondences by Shareholders should be addressed to the Registrar & Transfer Agent (R&T Agent) M/s. Bigshare Services Pvt. Ltd. or the Registered Office of the Company at the addresses mentioned below.

In case any shareholder is not satisfied with the response or do not get any response within reasonable period from the R&T Agent, they may approach the Company Secretary and Compliance Officer at the Registered Office / Corporate Office of the Company.

Corporate Office:

C/03, Ground Floor, Fortune 2000,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

16) Compliance officer

Mr. Amit Jaste is the Company Secretary and the Compliance Officer of the Company.

17) Auditor's certificate on corporate governance

As required under clause 49 of the Listing Agreement, the Auditor's certificate on compliance of the Corporate Governance norms is attached with this report.

Declaration of Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel

I, Annand Sarnaaik, Chairman & Managing Director of the Company, hereby declare that pursuant to Clause 49 I (D) of the Listing Agreement, the Board members and Senior Management personnel have given affirmation about their compliance with their respective Code of Conduct of the Company for the financial year ended March 31, 2009.

For **Glodyne Technoserve Limited**

Sd/-

Annand Sarnaaik
Chairman & Managing Director

Place : Mumbai,
Date : June 30, 2009

Auditor's Certificate of compliance with the Corporate Governance requirements under Clause 49 of Listing Agreement

To,

The Members of
Glodyne Technoserve Limited

We have examined the compliance of the conditions of Corporate Governance by Glodyne Technoserve Limited ("the Company") for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd. Mumbai. The compliance with the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof adopted by the Company during the year for ensuring the compliance of the conditions of Corporate Governance referred to above. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion, and to the best of our knowledge and according to the information and explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance, stipulated in the above-mentioned Listing Agreements for the year ended March 31, 2009.

Based on confirmation received from the Company's Registrar and Share Transfer Agent, and representations made by management, we certify that no investor grievances are pending for a period exceeding one month against the Company as at March 31, 2009.

We further state that our report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nilesh Kapadia & Co.
Chartered Accountants

Sd/-

Nilesh M. Kapadia
Partner
Membership No: 33697

Date: June 30, 2009

Information/Disclosure regarding "Group within the meaning of Monopolies & Restrictive Trade Practices read with Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 are disclosed below:

Mr. Annand Sarnaaik, Mrs. Divvyani A. Sarnaaik, Glodyne Ventures & Holding Pvt. Limited, Glodyne Global Pvt. Limited

A. INDUSTRY ANALYSIS

In the last decade, the Application Development and Maintenance and Business Process Offshoring industries have dominated the rise of offshoring. The Company believes that over the next decade Managed Services within the IT services space, which is the Company's core competency, will become equally important. Inspite of the worldwide slowdown which has affected almost every sector of the world economy in the past few quarters, the Technology Managed Services space within the IT Industry is expected to have a bright future.

With developed geographies reeling under a recession, technology spend (hardware+ software+ network+ IT services) in the economies is likely to decline in 2009. However, within tech spending, IT services spend is relatively defensive as a large portion of it goes towards running the business vs building/ changing the business.

IDC has predicted that overall tech spending could remain largely flat in 2009 in the worst case scenario, whereas it could decline by 1-2% for USA, Japan and Western Europe with other regions like Asia it is expected to see a growth of 3-6%.

- **Technology IMS – Optimizing IT spends**

  While tech spending is likely to be under pressure for the next two years, IT services spend is relatively less discretionary as a big chunk of it goes into keeping the lights on. Based on anecdotal evidence, ~70% of IT services spend is "run the business" while just ~30% is "change/ build the business". To that extent, IT services segment is relatively better placed vis-à-vis tech spend towards hardware, networking and software.

- **Services spend vs outsourcing vs offshoring**

  Overall, IT services outsourcing is growing faster than IT services spend. This is being led by the gradual shift of IT spend from in-house to third party outsourcing as (i) it provides more flexibility in IT budgets for the client; and (ii) work delivered by an IT specialist yields cost savings on the back of scale efficiencies and shared service usage. Going forward, we expect the trend to continue and outsourcing (as also offshoring) to outpace IT services spend in terms of growth. The market share for India in Information Systems management and Outsourcing is only 3.9%, signifies the untapped opportunity for Managed Services companies like Glodyne.

  As per the NASSCOM Mckinsey report of 2008, the Global IMS industry accounts for $ 524 bn which is almost a quarter of the overall IT spends, out of which the addressable market for remote services is $ 104 bn. There is a huge opportunity waiting to be tapped by the service providers. The space would be driven by the Remote Infrastructure Management Services, which currently globally is at a nascent stage. The drivers for growth for the industry would be the continuous effort by enterprise to enhance service and performance levels and reduce costs, technology advancements that have improved infrastructure efficiency and management; and evolution in offshore capabilities. India has experienced a higher growth rate in this space compared to industry average, and the competitive advantages to acquire a disproportionate share of the opportunity. The Company foresees the Managed Services industry to grow both in the domestic market and international market space.

  We see challenging times ahead for Indian IT services providers over the next few quarters in the backdrop of the tough business environment. However, we do not see any threat to its market share. Having clocked significant gains in traditional ADM services (offshore IT industry started with ADM services and largely concentrated on that till early 2000s), Managed services are the new growth vistas.

Domestic Industry:

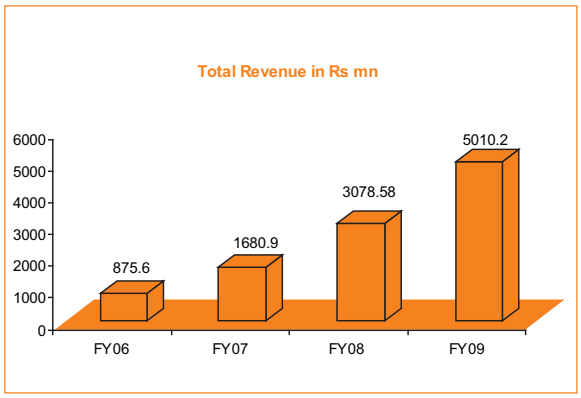
According to IDC the domestic IT market grew at 11.4%. In the IT offerings – services which comprises of IMS has seen a growth of 19.3% and has maintained its yoy growth. Within the ambit of IT services, segments reporting higher than average growth include Desktop Management (22%), Information Systems Outsourcing (32%), Network Management (23%) and Application Management (20%).

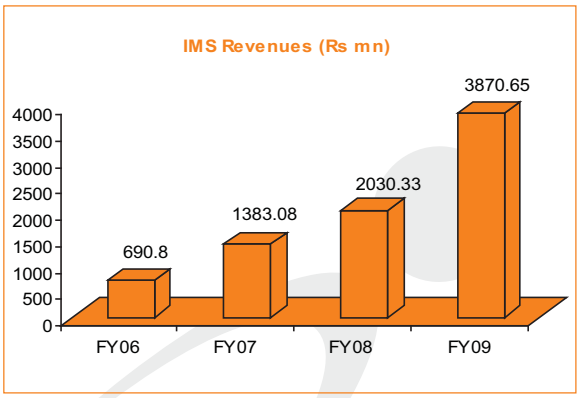
Both the domestic and the international market trends point towards the need for better management of IT infrastructure for their most optimal deployment and use in achieving enterprise business goals. The Indian market is attractive to IMS providers for the following reasons:

- The Indian economy is robust and is expected to register a growth of over 6.5% in the year 2010.
- India is the largest and most populous democratic nation in the world. The country's political, social and economic environment is relatively stable as compared to other developing economies of the world.
- The abundance of talent pool available in India
- The thrust on various e-governance initiatives across various states in the country
- New models of Public Private Partnerships being rolled out wherein Technology would be a key enabler.

B. Financial performance

During the financial year ending March 2009, the Company Revenues grew by 63% to Rs 5010.2 mn and Profit after Tax by 92% to 778.4 mn. Over the last 3 years we have grown our Revenues at the CAGR of 79%. Technology IMS which forms the majority of the Revenues has over the last 3 years grown at the CAGR of 78%.





Financial performance discussion on consolidated results:

1. Authorized share capital

The Company has an authorized share capital of Rs. 250 mn comprising 20 mn equity shares of Rs 10/- each and 5 mn preference shares of Rs. 10/ -each as on March 31, 2009.

2. Paid up share capital

The Company has a paid-up capital of Rs. 111.09 mn. During the year the paid up capital increased by Rs. 2.32 mn.

3. Equity shares

The Company has formulated Employee Stock Option Scheme (ESOS) for rewarding its employees through stock ownership. The Stock Options vest over a specified period subject to employee fulfilling certain conditions. Upon vesting the employees are eligible to apply and secure allotment of the Company's equity shares at a price determined on the date of the grant of options. During the year 2,31,599 equity shares were allotted on exercise of the options under Employee Stock Option Scheme instituted by the Company.

4. Reserves and Surplus

a) Securities Premium Account

Addition to securities premium account comprises of premium received on exercise of stock options, amounting to Rs. 15.55 million.

b) Debenture Redemption Reserve

There is no change in debenture redemption reserve during the year.

c) General Reserve

The company has Transferred Rs. 73.75 mn to General Reserve during the year, The General Reserve balance as on 31st March, 2009 was Rs 88.79 mn.

5. Secured Loans

Secured loans have increased by Rs. 611.19 mn, primarily due to increased working capital facilities from Banks to meet the growing business needs.

6. Unsecured Loan

During the year, the Unsecured loan of Rs. 69.2 mn. from scheduled bank got converted into a secured loan and therefore the unsecured loan outstanding as on March 31, 2009 was nil.

7. Fixed Assets:

a) Goodwill on Consolidation

The excess of consideration paid over the book value of assets acquired has been recognised as goodwill in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. Goodwill arising on account of acquisition of subsidiaries is not amortised but reviewed for impairment if there are indicators of impairment. There is no change in Goodwill on consolidation since there are no new acquisitions during the year and no impairment of Goodwill for old acquisitions.

b) Additions to Fixed Assets

During the year the Company has invested Rs. 264 mn towards addition of fixed assets, majorly in Technology Assets required for the business.

c) Capital Work in Progress

Increase in Capital Work in Progress by Rs. 529.41mn is primarily on account of expenditure incurred for ***"e-Shakti Project"*** under National Rural Employment Guarantee Scheme (NREGS) in the State of Bihar.

d) Depreciation

Depreciation on all assets is provided pro-rata to the period of use, under straight-line method, at rates prescribed in Schedule XIV of the Companies Act, 1956. Intangible assets are amortised over their respective individual estimated useful lives (not exceeding five years) on a straight line basis, commencing from the date the asset is available for its intended use. The Depreciation as percentage to revenue remained at 2% for FY 2008-09.

C. BUSINESS ANAYSIS

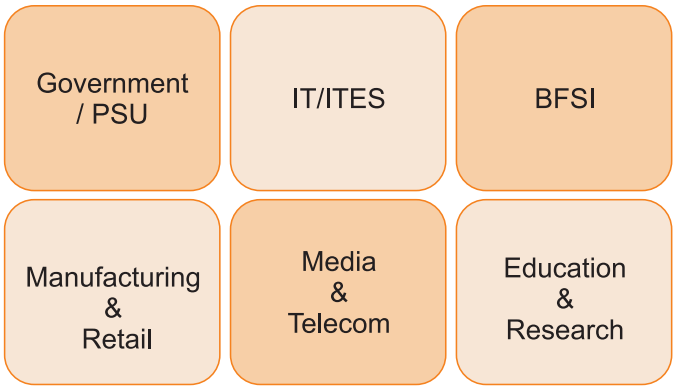
Glodyne is primarily in the business of Technology Infrastructure Management Services, focused on optimizing the operational expense of our clients, a core expense they can't do away with unlike other capex intensive initiatives which could go slow in case of a slowdown.

- **Geographical Presence**

  The Company has presence in India and United States of America. The company is headquartered in Mumbai, India with sales and support presence Pan India. The sales and marketing force in India operate from 10 locations. The support centers service the states across North, South, Central and West regions across 100+ locations in the country. In the US the Company has presence on the West Coast and East Coast. The Company is expanding its reach in India as well as in the US.

- **Sector presence**

  The Company services six key sectors Government/PSU, IT/ITES, BFSI, Manufacturing and Retail, Media and Telecom, Education and Research. The Company has seen encouraging growth in the Education and Government/PSU sectors in particular and is bullish on expanding its presence in the same.



- **Outsourcing due to acquisition:**

  In FY07, the Company acquired Links Group International Inc. (100%) a Virginia based IT Service Company and in FY08, Front Office Technologies Inc. (100%) a New York based 100% onsite IMS company. The Company has completed consolidation and integration of both the Companies. The Company has been able to successfully expand and cross sell IMS services to the existing clients through the onsite- remote delivery model.

- **Prestigious win: Rs 2840 mn order from Bihar state:**

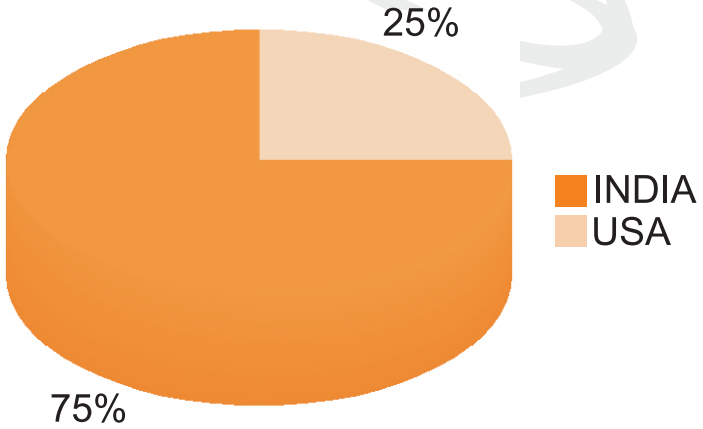
  The Company through its subsidiary Smaarftech Technologies Private Limited has bagged a BOOT project worth Rs 2840 mn. from the Bihar State Electronics Development Corporation (BSEDC) for implementing the National Rural Employment Guarantee Scheme (NREGS) covering 38 districts of Bihar. The order (to issue 250 mn. smart cards) is executable over next five years; and the Revenues would start accruing from Q2 / Q3 FY 2009. The Company is positive about creating a strong business out of various e-governance initiatives under Public-Private Partnership under the BOOT, BOO, etc delivery models.

- **Services Mix Analysis:**

  With more than a decade long experience, strong technical expertise and hybrid onsite-remote model, Glodyne is poised to exploit the huge opportunity in the Managed Services Space. Company has annual IMS contracts with majority of its clients. The Technology IMS segment Revenues have witnessed robust yoy growth of 65% over. The segment's revenue contribution has increased from Rs. 203 crore in FY08 to Rs. 387 crore in FY09. More importantly, with the creation of the remote infrastructure, the IMS services delivery through the remote practice has seen decent traction. These macro and micro segmental shifts are lending the Company to create a niche for itself and strengthening the overall business model.

- **Geographic Mix**

  With majority of the clients from India, about 75% of the Glodyne's Revenues are from the domestic market. The balance 25% of Revenues comes from the US where the company has presence through subsidiaries. As the profitability is higher in the US business compared to India, Glodyne is keen on improving US revenue share by increasing its presence. Company believes that the current recessionary environment in the US would not impact its IMS business as it targets the clients' operational expenditure and not the capex, which is discretionary. Management expects domestic revenue share to decline in coming years.



D. OPPORTUNITIES FOR GLODYNE

According to various research reports; 70-75% of Infrastructure management roles can be outsourced. A decade of outsourcing and offshoring experience has helped CIOs develop sophisticated vendor management processes, differentiate between service levels and use appropriate channels to handle escalation. With the vendor and cost management strengths in place; CIOs are considering IMS offshoring through which they expect more direct control and flexibility in managing their IT assets.

Fundamental shifts in technology architecture, tools and economics are not only encouraging enterprise customers to reassess the rational for outsourcing but have also brought down the traditional barriers to adoption. A CIO seeking 24 hour support and lower cost will partner with a vendor with strong remote infrastructure management capabilities.

As hardware prices decline and virtualization increases, the share of labour as a portion of total cost is rising and has become the largest addressable cost in the total infrastructure spends. With companies focused at reducing the overall operating expense, offshoring of IT infrastructure management is an option which provides them with a faster response along with lower costs. The clients are also looking at infusing innovation into their process through outsourcing.

Acquisition / Inorganic Opportunities: In today's scenario, there exists a huge opportunity to acquire companies which provide Glodyne the complementary strengths to build its business. The successful acquisition, integration and absorption of Links Group International and Front Office Technologies has provided it with the insight and confidence for future acquisitions.

E. FACTORS THAT MAY AFFECT GLODYNE'S GROWTH

Foreign Exchange

The Company has 25% of its business coming from the US geography. Huge fluctuations in the currency exchange rate could affect the US business. The Company does not have a huge dollar exposure. The Company has a defined policy for managing its foreign exchange exposure. The Company tracks the foreign exchange markets closely and would take appropriate hedging decisions from time to time.

Acquisition:

The Company is actively evaluating acquisitions. In the event of Company going in for an acquisition the Company would be faced with integration issues, managing the morale of the new work force, reducing overlaps and other related issues.The Company has a comprehensive due diligence review process covering aspects of marketing, financial, legal, human and cultural issues before taking a decision on acquisitions.

Competition:

Glodyne till date, has managed to successfully carve out a niche for itself by creating a robust onsite/remote delivery model for its Technology Managed Services delivery across all key sectors. The Company has been building huge value propositions for our customers making it difficult for out customers to move away from our services. However we have seen some Indian Software companies which have started to look at IMS space in the last few quarters. The Company believes it has core competencies that are not easily replicable by competitors and it is focussed to enhance its tools, processes and intellect to maintain competitive advantage. The Company is focused to become a pure play Technology Managed Services Company. Research shows that traditionally clients prefer a partner which is a focused IMS services provider. The Company has been investing in creating a strong services delivery model and it enjoys high customer mindshare and loyalty.

Attracting and retaining talent

Glodyne so far has successfully managed to hire the best talent in the industry. However, the Company may encounter intense competition for experienced technical personnel in sales, marketing and technical support as the sector expands. The Company has an effective Training and Development department which enables employees to chart a career in the organization and fulfill their career goals. This results in a single digit attrition rate for the Company.

F. OUTLOOK

During the financial year ended March 2009, we grew our Revenues by 63% to Rs 5010.2 mn and Profit after Tax by 92% to 778.4 mn. Over the last 3 years we have grown our Revenues at the CAGR of 79%. The Management is focused to build the Company into a strong global Technology IMS provider from India in the coming years. With the IMS industry opening up huge opportunity for Indian Companies, Glodyne is focused on capitalising on the same by providing high quality services to global clients through a robust Onsite - Remote delivery model. The

company would continue to grow its client base and client share organically and would also pursue inorganic growth to gain strong client relationships that have an appetite for IMS off shoring and to do geographic de-risking. In the Application Manages Services Space, as outlined last year the Company has launched PeoplePower – a premium product of the Company caters to the Human Resource Management System. PeoplePower is delivering services on SaaS model. The Company expects this business to grow exponentially once it reaches a critical mass in 6-8 quarters. The Company envisions huge opportunity in the IT space in the domestic market with projects built on public- private partnership. The NREGS e-shakti project in Bihar has marked the credentials of the company in this space. The Remote Technology Management would be our focus area. Keeping in view the potentials of the IMS space and the Company's expertise in the focused area, the outlook remains to be positive.

G. INTERNAL CONTROLS AND ITS ADEQUACY

The Company had identified the key risks and control process to mitigate the same. Further the Company continues this process of Enterprise Risk Management as a continuing process, in order to identify the new risks and to define and establish the control process to mitigate the identified risks. Further the Internal Control Framework for financial reporting, organisation structure, documented authorities & procedures and internal controls are being reviewed by internal audit team on continuous basis and any issues arising out of the said audit are addressed appropriately. The Company is continuously upgrading its internal control systems by measuring state of controls at various locations. Controls in the management system have been strengthened with help of review conducted by PriceWaterHouseCoppers.

The Audit Committee, comprising independent directors is involved in regular reviewing of financial and risk management policies, significant audit findings, the adequacy of internal controls and compliance with the accounting standards.

At Glodyne, the management believes that its sustainable competitive advantage lies in the talent that it nurtures and the leadership pipeline that it has built to manage its IMS business. The Company places a huge emphasis on fostering a culture of "Customer First" and enterprise that allows people within the Company to realise human potential. The Company has built a unique work environment that brings together talent from multiple backgrounds and skills sets to work together and feel a sense of belonging to the team. The success of this can be judged from the low level of attrition that the Company has been able to maintain and the stability in its senior and middle management teams.

Consolidated Auditors' Report

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF GLODYNE TECHNOSERVE LIMITED ON CONSOLIDATED FINANCIAL STATEMENTS OF GLODYNE TECHNOSERVE LIMITED AND ITS SUBSIDIARIES

1. We have examined the attached consolidated Balance Sheet of **GLODYNE TECHNOSERVE LIMITED** ("the Company") and its subsidiaries (collectively referred to as "the Glodyne Group") as at 31st March, 2009 and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date.
2. 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 generally accepted auditing standards 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 respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have also audited the financial statements of Intercon Management Services Private Limited ("a subsidiary") and Smaarftech Technologies Private Limited ("a subsidiary"), whose financial statements have been considered in the consolidated financial statements.
4. The financial statements of Glodyne Technoserve Inc., and Glodyne Technoserve Singapore Pte. Limited, whose financial statements reflect total assets of Rs.11,786.09 lakhs as at 31st March, 2009, total revenue of Rs.6,964.74 lakhs and total cash outflows amounting to Rs.106.70 lakhs have not been audited. For the purpose of consolidation, we have relied on the financial statements and other financial information of this subsidiary as approved by the Board Directors of respective subsidiaries.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006.
6. Subject to the matter referred to in paragraph 4 above, based on our audit and on our consideration of separate financial statements and the other financial information on the components, to the best of our information and according to the explanations given to us, we are of the opinion that the attached 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 state of affairs of the Glodyne Group as at March 31, 2009;
   (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Glodyne Group for the year ended on that date; and
   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Glodyne Group for the year ended on that date.

For Nilesh M. Kapadia & Co.
Chartered Accountants

Sd/-

Nilesh M. Kapadia
Partner
Membership no.33697

Place : Mumbai
Date : 30th June, 2009

Glodyne

Consolidated Balance Sheet as at 31st March 2009

(Rupees in Lakhs)

Particulars	Schedule	As at 31.03.2009		As at 31.03.2008	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	1,110.92		1,087.76	
Share Application monies (Pending Allotment)		-		89.12	
Reserves and Surplus	B	15,008.38	16,119.30	7,561.51	8,738.39
Loan Funds	C				
Secured Loans		8,806.83		2,694.90	
Unsecured Loans		-	8,806.83	692.00	3,386.90
Deferred Tax Liability			548.27		402.84
Minority Interest			173.01		93.31
	TOTAL		25,647.41		12,621.44
APPLICATION OF FUNDS					
Fixed Assets	D				
Gross Block		7,113.89		4,157.85	
Less:- Depreciation		(2,147.22)		(1,074.48)	
Net Block		4,966.67		3,083.37	
Capital Work in progress		5,500.35	10,467.02	206.20	3,289.57
Goodwill (on Consolidation)			3,367.34		3,367.34
Investments	E		0.01		0.01
Current Assets, Loans & Advances	F				
Inventories		572.26		268.62	
Sundry Debtors		11,843.94		5,777.46	
Cash and Bank Balances		302.23		261.17	
Loans and Advances		5,445.29		1,035.42	
		18,163.72		7,342.67	
Current Liabilities and Provisions	G				
Current Liabilities		3,921.88		746.96	
Provisions		2,428.80		631.19	
		6,350.68		1,378.15	
Net Current Assets			11,813.04		5,964.52
	TOTAL		25,647.41		12,621.44
Significant Accounting policies and Notes to Accounts	L				

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

For and on behalf of the Board

Nilesh M. Kapadia
Partner
Membership No.33697

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Place : Mumbai
Date : 30th June, 2009

Glodyne

Consolidated Profit and Loss Account for the year ended 31st March'2009

(Rupees in Lakhs)

Particulars	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME			
Revenue from Operations	H	**50,102.34**	30,785.83
Other Income	I	**1,005.79**	5.35
TOTAL		**51,108.13**	30,791.18
EXPENDITURE			
Operating & other expenses	J	**39,602.15**	25,153.10
Finance Charges	K	**764.68**	410.65
Depreciation / Amortisation		**933.30**	492.98
TOTAL		**41,300.13**	26,056.73
Profit before Tax		**9,808.00**	4,734.45
Less: Provision for Taxation			
Current Taxes		**(1,843.91)**	(490.50)
[including short provision of Rs.220.47 Lakhs (Rs.2.45 Lakhs) *for prior years]*			
Fringe Benefit Tax		**(33.91)**	(8.50)
[including short provision of Rs.0.04 Lakhs (Rs.NIL) for prior years]			
Wealth Tax		**(0.04)**	-
Deferred Taxes		**(145.42)**	(174.25)
Net Profit after Tax before minority interest		**7,784.72**	4,061.20
Minority Interest		**(4.75)**	(0.02)
Net Profit after Tax and minority interest		**7,779.97**	4,061.18
Balance brought forward		**6,523.68**	2,794.22
Add: Change on account of Transitional Provisions under AS-15		**-**	0.06
Less: Transfer to Minority Interest		**-**	(93.00)
Add: Transfer from Debenture Redemption Reserve		**-**	42.00
Amount Available for Appropriation		**14,303.65**	6,804.46
Appropriation:			
Proposed Dividend		**470.51**	132.18
Tax on Proposed Dividend		**79.96**	22.46
Transfer to General Reserve		**737.50**	84.14
Transferred to Debenture Redemption Reserve		**-**	42.00
Balance Carried to Balance Sheet		**13,015.68**	6,523.68
		14,303.65	6,804.46
Significant Accounting policies and Notes to Accounts	L		
Earning per Share- Basic (Rs.)		**70.50**	37.34
- Diluted (Rs.)		**66.09**	34.17
(Refer Note B-12 of Schedule 'L')			

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

Nilesh M. Kapadia
Partner
Membership No.33697

Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Consolidated Cash Flow Statement for the year ended 31st March 2009

(Rupees in Lakhs)

Particulars	Year ended 31.03.2009		Year ended 31.03.2008	
Net Profit before Taxation and extraordinary items		**9,808.00**		**4,734.45**
A. Cash Flow from Operating Activities :				
Adjustment for :				
Depreciation /amortisation	**933.30**		492.98	
Interest and other Finance Charges	**764.68**		410.65	
Interest received	**(119.29)**		(5.35)	
Dividend received	**(0.002)**		(0.002)	
Foreign Exchange Fluctuation Loss / (Gain) [unrealised]	**(613.36)**		89.07	
Sundry Balances written back (net)	**(8.04)**	**957.30**	15.07	1,002.42
Operating Profit before working capital changes		**10,765.30**		5,736.87
Adjustment for :				
Decrease / (Increase) in Inventories	**(303.64)**		(102.21)	
Decrease / (Increase) in Trade & other receivables	**(9,825.31)**		(2,701.50)	
(Decrease) / Increase in Trade & other payables	**3,179.65**	**(6,949.30)**	(2,250.51)	(5,054.22)
Cash generated from operations		**3,816.00**		682.65
Taxes paid (including Fringe Benefit Tax)		**(624.08)**		(170.25)
Net Cash Flow from Operating Activities		**3,191.92**		**512.40**
B. Cash Flow from Investing Activities :				
Interest received	**119.29**		5.35	
Dividend received	**0.002**		0.002	
(Increase) / Decrease in fixed deposits *(under lien with scheduled banks)*	**(133.91)**		5.12	
Increase in fixed assets & Capital Work-in Progress	**(7,935.15)**		(2,089.09)	
Decrease in fixed assets	**-**		0.03	
Increase in Goodwill	**-**		(1,162.48)	
Net Cash from Investment Activities		**(7,949.77)**		**(3,241.07)**
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Equity Shares (including Securities Premium)	**89.51**		-	
Share Application monies (pending allotment)	**-**		89.12	
Proceeds from Issue of Equity Shares to Minority	**74.96**		-	
Proceeds / (Repayment) of Secured loans (net)	**6,111.94**		1,579.91	
Proceeds / (Repayment) of Unsecured loans	**(692.00)**		692.00	
Interest and other finance Charges	**(764.68)**		(410.65)	
Dividend paid (including Dividend Tax)	**(154.73)**		(152.24)	
Net Cash from from Financing Activities		**4,665.00**		1,798.14
Net (Decrease)/Increase in cash and cash equivalent		**(92.85)**		(930.53)
Cash and cash equivalent at the beginning of the year		**229.93**		1,160.46
Cash and cash equivalent at the end of year		**137.08**		**229.93**
Fixed Deposits held by Scheduled banks under lien		165.15		31.24
Cash and cash equivalent at the end of year (as per Schedule F)		**302.23**		**261.17**

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

For and on behalf of the Board

Nilesh M. Kapadia
Partner
Membership No.33697

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Place : Mumbai
Date : 30th June, 2009

Schedules attached to and forming part of the Consolidated Accounts
for the year ended 31st March,2009

(Rupees in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'A' - SHARE CAPITAL				
AUTHORISED:				
2,00,00,000 (1,50,00,000) Equity Shares of Rs. 10/- each		**2,000.00**		1,500.00
50,00,000 (NIL) Preference Share of Rs.10/- aech		**500.00**		-
		2,500.00		1,500.00
ISSUED, SUBSCRIBED AND PAID UP:				
1,11,09,223 (1,08,77,624) Equity Shares of Rs.10/- each fully paid up		**1,110.92**		1,087.76
(refer note B-9 of Schedule 'L')				
Of the above:				
33,91,706 (33,91,706) Equity Shares of Rs. 10/- each were alloted as Bonus Shares by way of capitalisation of General Reserve and balance in Profit and Loss Account				
SCHEDULE 'B' - RESERVES AND SURPLUS				
(A) Securities Premium				
Opening Balance	**846.05**		846.05	
Additions during the year (refer note B-9 of Schedule 'L')	**155.48**	**1,001.53**	-	846.05
Closing Balance				
(B) Debenture Redemption Reserve				
Opening Balance	**42.00**		42.00	
Less: Transferred to Profit and Loss Account	**-**		(42.00)	
	42.00		-	
Add:- Transferred from Profit and Loss Account	**-**		42.00	
Closing balance		**42.00**		42.00
(C) Foreign Currency Translation Reserve				
(arising on Consolidation)				
Opening Balance	**(0.62)**		(12.89)	
Add:- Adjustment for the Current Financial Year	**61.89**	**61.27**	12.27	(0.62)
Closing Balance				
(D) General Reserve				
Opening Balance	**150.40**		66.26	
Add:- Transferred from Profit and Loss Account	**737.50**	**887.90**	84.14	150.40
Closing balance				
(E) Profit and Loss Account		**13,015.68**		6,523.68
TOTAL		**15,008.38**		7,561.51

Schedules attached to and forming part of the Consolidated Accounts
for the year ended 31st March,2009

(Rupees in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'C' - LOAN FUNDS				
Secured Loans				
(Refer Note B-3 of Schedule 'L')				
From Banks				
Cash Credit facilities & other working capital facilities	**5,886.84**		787.06	
Working Capital Term Loans	**913.19**		107.99	
Other Term Loans	**1,894.70**		1,698.73	
Vehicle loans	**70.10**	**8,764.83**	17.12	2,610.90
[Amount Due within one year in resepct of Loans from Banks /Others				
Rs.957.84 Lakhs (Rs.398.75 Lakhs)]				
Debentures				
9% Secured Non-Convertible Redeemable				
Debentures issued to Wipro Limited	**84.00**		126.00	
Less: Redeemed during the year	**(42.00)**	**42.00**	(42.00)	84.00
Total Secured Loans		8,806.83		2,694.90
Unsecured Loan				
Short Term Unsecured Loan from a Scheduled Bank		**-**		692.00
TOTAL		**8,806.83**		3,386.90

SCHEDULE 'D' - FIXED ASSETS

(Rs. in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at April 1, 2008	Additions during the year	Deductions during the year	Cost Adjust-ments	As at March 31, 2009	Upto April 1, 2008	Additions during the year	Adjust-ments	Deductions during the year	Upto March 31, 2009	As at March 31, 2009	As at March 31, 2008
Tangible Assets												
Lease Hold Premises	48.65	-	-	-	**48.65**	**6.35**	0.79	-	-	**7.14**	**41.51**	42.30
Leasehold Improvments	-	82.94	-	-	**82.94**	**-**	17.59	-	-	**17.59**	**65.35**	-
Office Premises	89.44	-	-	-	**89.44**	**21.13**	1.45	-	-	**22.58**	**66.85**	68.31
Plant and Machinery	-	-	-	-	-	**-**	-	-	-	**-**	**-**	-
Office Equipments	32.18	6.37	-	-	**38.55**	**5.12**	1.80	-	-	**6.92**	**31.64**	27.07
Furniture & Fixture	312.93	16.80	-	-	**329.73**	**28.45**	20.35	-	-	**48.80**	**280.93**	284.48
Motor Vehicles	39.99	75.45	-	-	**115.44**	**7.86**	8.55	-	-	**16.41**	**99.03**	32.13
Computer Systems	1,134.58	1,508.50	-	-	**2,643.08**	**470.11**	201.13	-	-	**671.24**	**1,971.84**	664.47
Intangible Assets												
Softwares	2,498.50	950.94	-	316.62	**3,766.06**	**533.90**	681.77	140.87	-	**1,356.54**	**2,409.52**	1,964.60
Current Period	4,156.27	2,641.00	-	316.62	**7,113.89**	**1,072.92**	933.44	140.87	-	**2,147.22**	**4,966.67**	3,083.37
Previous Year	2,082.21	2,078.39	(0.03)	(2.72)	4,157.85	464.00	492.98	117.50	(0.0004)	1,074.48	3,083.37	1,617.29

Schedules attached to and forming part of the Consolidated Accounts
for the year ended 31st March,2009

(Rupees in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'E' - INVESTMENTS				
Long Term Investments (at Cost)				
Trade Investments (Unquoted - Fully Paid Up)				
100 (100) Equity Shares of Saraswat Co-operative Bank Ltd. (Face Value per share Rs.10/- each)		**0.01**		0.01
TOTAL		**0.01**		0.01
SCHEDULE 'F' - CURRENT ASSETS, LOANS AND ADVANCES				
CURRENT ASSETS				
1. INVENTORIES				
(As taken , valued and certified by the Management)				
Goods for Resale				
Computer Equipments, Peripherals and Software		**572.26**		268.62
2. SUNDRY DEBTORS :				
(Unsecured, Considered Good)				
Outstanding for over six months	**113.85**		304.90	
Others	**11,730.09**	**11,843.94**	5,472.56	5,777.46
3. CASH AND BANK BALANCES				
- Cash on Hand	**5.12**		13.04	
Balances with Scheduled Banks				
(i) In Deposit Accounts (held under lien by Scheduled banks)	**165.15**		31.24	
(ii) In Current Accounts	**122.90**		101.38	
(iii) In Dividend Account	**1.48**		1.23	
Balances with Non - Scheduled Banks				
In Current Accounts				
Bank of America USA (Maximum Balance Outstanding during the year [Rs.447.77 Lakhs (P.Y Rs. 1,134.58 Lakhs)]	**7.58**		106.68	
Silicon Valley Bank USA (Maximum Balance Outstanding during the year [Rs. 0.96 Lakhs (P.Y Rs. 36.78 Lakhs)]	**-**		0.96	
Wachovia Bank USA (Maximum Balance Outstanding during the year [Rs 6.64 Lakhs (P.Y Rs. 11.26 Lakhs)]	**-**	**302.23**	6.64	261.17
LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
(i) Advance to Suppliers	**4,179.35**		443.16	
(ii) Advance to Staff	**55.68**		1.12	
(iii) Advances recoverable in cash or in kind or for value to be received	**910.49**		368.48	
(iv) Deposits	**297.66**		219.42	
(v) Other Current Assets	**2.11**	**5,445.29**	3.24	1,035.42
TOTAL		**18,163.72**		7,342.67

Schedules attached to and forming part of the Consolidated Accounts
for the year ended 31st March,2009

(Rupees in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'G' CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES :				
(i) Sundry Creditors for goods, services and expenses				
- Due to Micro and Small Enterprises	**0.08**		-	
- Others	**2,768.42**		620.38	
(ii) Advances from Customers	**943.04**		88.18	
(iii) Unclaimed Dividend *	**0.94**		1.03	
(*There is no amount due & outstanding to be credited to Investor Education and Protection Fund)				
(iv) Other Liabilities	**209.40**	**3,921.88**	37.37	746.96
PROVISIONS :				
For Staff Retirement Benefits	**25.79**		21.15	
For Proposed Dividend	**470.51**		132.18	
For Tax On Dividend	**79.96**		22.46	
For Income Tax (including Fringe Benefit Tax) [net of relative payments, if any]	**1,852.54**	**2,428.80**	455.40	631.19
TOTAL		**6,350.68**		1,378.15
SCHEDULE 'H' - REVENUE FROM OPERATIONS				
Technology IMS	**38,673.38**		20,269.01	
Software Services	**11,395.87**		10,482.57	
Consultancy Charges	**33.09**		34.25	
TOTAL		**50,102.34**		30,785.83
SCHEDULE 'I' - OTHER INCOME				
Interest received - Gross	**119.29**		5.34	
(Tax deducted at Sources Rs.24.30 Lakhs (Rs.0.87 Lakhs)				
Dividend	**0.002**		0.002	
Foreign Exchange Flucutation Gain (net)	**875.25**			
Sundry Balances written back (net)	**8.04**		-	
Miscellaneous Income	**3.21**		0.01	
TOTAL		**1,005.79**		5.35

Schedules attached to and forming part of the Consolidated Accounts
for the year ended 31st March,2009

(Rupees in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'J'- OPERATING AND OTHER EXPENSES				
Material Cost, Software Development, Contract & Service Charges		32,420.03		20,741.48
Staff Costs				
Salaries, allowances, Incentives & Contractual payments	5,906.71		3,392.77	
Contribution to Statutory Funds	21.70		16.16	
Staff Welfare	15.57		9.60	
Staff Training & Recruitment	16.29	5,960.27	13.43	3,431.96
Directors' Remuneration				
Salaries and allowances	117.41		87.86	
Contribution to Statutory Funds	2.59		4.00	
Sitting Fees	1.34	121.34	1.87	93.73
Communication Costs		66.43		53.38
Advertisement, publicity and Business Promotion		15.55		19.96
Legal & Professional Expenses		154.99		167.77
Office Maintenance		31.78		43.99
Traveling & Conveyance		266.30		220.74
Electricity Charges		29.01		19.17
Rent		375.17		142.52
Insurance		4.35		1.35
Auditors' Remuneration		9.78		7.23
Postage & Courier Charges		10.87		10.22
Printing and Stationery		12.65		11.58
Rates & Taxes		45.97		15.67
Discount		16.24		-
Donation		0.11		0.78
Foreign Exchange Fluctuation Loss (net)		-		119.77
Vehicle Expenses		7.97		2.16
Marketing Expenses		8.17		-
Commision & Brokerage		32.08		6.72
Membership & Subscription		3.52		4.79
Sundry Balances written off		-		15.07
Miscellaneous Expenses		9.57		23.08
TOTAL		39,602.15		25,153.10
SCHEDULE 'K'- FINANCE CHARGES				
Interest on Debentures	7.24		11.01	
Interest to others	1.29		-	
Bank Interest	700.97		356.78	
Bank Charges and Commission	55.18		42.86	
TOTAL		764.68		410.65

Schedule 'L': Significant Accounting Policies and Notes to Accounts

Company Overview:

Glodyne Technoserve Limited ('the Company") together with its subsidiaries (collectively, referred to as the group) is engaged in Technology Infrastructure Management Services and Application Software Services in India and Overseas. The Company has head quarters at Mumbai, India.

A. Significant Accounting Policies

1. Basis of Accounting

The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis. The IGAAP comprises Accounting Standards notified under Companies Accounting Standards Rules, 2006 by the Central Government of India under Section 211(3C) of the Companies Act, 1956, various pronouncements of the Institute of Chartered Accountants of India, and the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently issued or revised Accounting Standards on an ongoing basis.

2. Use of estimates

The preparation of financial statements in conformity with IGAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. Examples of such estimates and assumptions include useful lives of fixed assets and Intangible assets, taxes, provision for doubtful debts, anticipated obligations under employee retirement plans, etc. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent. Actual results could differ from those estimates.

3. Principles of Consolidation

The Consolidated financial statements relate to the Company and its subsidiaries, which are more than 50% owned or controlled. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiaries are combined on a line-by -line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) - 21 -"Consolidated Financial Statements".

b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

c) 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 or Capital Reserve as the case may be.

d) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss account as the profit or loss on disposal of investment in subsidiary.

e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

f) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the company's shareholders.

g) As far as possible, the consolidated 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.

h) Notes on these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the group. Recognising this purpose, the company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures.

i) The list of subsidiaries considered in these consolidated financial statements with percentage holding is summarised below:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest
Glodyne Peoplepower Private Limited (formerly Intercon Management Services Private Limited)	India	60%
Glodyne Technoserve Inc.	USA	100%
Glodyne Technoserve Singapore Pte. Limited	Singapore	100%
Smaarftech Technologies Private Limited	India	99.95%

4. Goodwill:

Goodwill arising on consolidation / acquisition of assets is not amortised. The same is tested for impairment on a periodic basis and written off, if found impaired.

5. Revenue Recognition

The Direct revenue of the Company comprises the income from following principal activities:

i. **Technology IMS** – This represents Technology Integration and Management Services. Technology Integration activities include resales and Integration of Hardware / System Software/ Database Software / Networking Products with or without one another. Revenue from Technology Integration is recognised on delivery to the customer and acknowledgement thereof, in accordance with the terms of the individual contracts. Management Services represents amount charged for Facility Management Services, Maintenance upkeep of Hardware / System Software/ Database Software / Networking Products. Revenue from Management Services is recognised over the life of the contracts. Maintenance revenue on expired contracts on which services have continued to be rendered is recognised on renewal of contract or on receipt of payment.

ii. **Software Services** - This represents charges for development of software for customer and sale of licenses of software and other products. Revenue from Software services is recognised when the software is developed and installed / delivered to the customers as per the terms of the contract. Revenue on sale of licenses of software and other products is recognised on delivery / installation, as the case may be.

Recognition norms for Indirect Revenue:

i. **Interest Income** - Interest Income is recognised based on time proportion and on gross basis.

ii. **Dividend Income** - Dividend Income is recognised on when the Company's right to receive dividend is established.

6. Fixed assets, Intangible Assets, Capital Work-in Progress and Depreciation

i. All fixed assets are stated at cost less accumulated depreciation. For this purpose cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

ii. Intangible assets are stated at the consideration paid for purchase/ acquisition less accumulated amortization.

iii. Capital Work in Progress includes advances paid for acquiring fixed assets and cost of assets not ready for intended use before the balance sheet date.

iv. Depreciation on all assets is provided pro-rata to the period of use, under straight-line method, at rates prescribed in Schedule XIV of the Companies Act, 1956. Intangible assets are amortised over their respective individual estimated useful lives (not exceeding five years) on a straight line basis, commencing from the date the asset is available for its intended use.

v. Depreciation on fixed assets of the Foreign Subsidiary is provided pro-rata to the period of use, under Straight-line method, based on the Management's technical assessment of useful life of these fixed assets.

7. Investments

Trade Investments are the investments made to enhance the Group's business interest. Investments are either classified as Long term or Current based on the Management's intention at the time of purchase. Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Long Term Investments. Long Term Investments are stated at Cost. A provision for diminution in value is made to recognise a decline, other than temporary, in the value of long term investments. Current Investments, if any, are valued at lower of cost and net realizable value.

8. Inventories

Inventories include stocks of Computer equipments, peripherals and traded software in respect of Technology Infrastructure Management Services of the Company and the same is valued at lower of cost (net of provision for obsolescence) or net realizable value. Cost is determined on First In First Out (FIFO) basis.

9. Foreign exchange transactions

Transactions in foreign currencies are generally recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate ruling on that date. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account.

10. Accounting for Employee Benefits

Staff Costs and Directors' Remuneration include Short term employee benefits such as Salaries, allowances, incentives, and short term compensated absences etc. It also includes group's contributions towards Defined Contribution plans and provisions for Defined Benefit plans.

(a) Short Term Employee Benefits

Short term employee benefits are recognised in the period during which the services are rendered. Provision for unused entitlements in respect of compensated absences is made for on the basis of actuarial valuation made at the end of each financial year.

(b) Post Employment Benefits

(i) Provident Fund (PF) & Employees' State Insurance Scheme (ESIC)- Defined Contribution Plans

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 all eligible employees of the Company are entitled to receive benefits which is a Defined Contribution Plan. In addition, some employees of the Company are covered under ESIC Act, 1948, which is also a Defined Contribution Plan. Both these Plans are recognised and administered by the Government of India. Both the employees and the Company make monthly contributions to these plans. The Company's contributions to these schemes are recognised as expense in the Profit and Loss Account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

(ii) Gratuity- a Defined Benefit Plan

The Company provides for Gratuity in accordance with the Payment of Gratuity Act, 1972, a Defined Benefit Plan. The plan, subject to the provisions of the above Act, provides for lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of each financial year. Actuarial gains / losses are recognised immediately to the Profit and Loss Account.

(iii) Subsidiaries

Retirement benefits are provided to employees of foreign subsidiary in accordance with the local laws and regulations prevailing in the Country in which the subsidiary is located.

11. Accounting for Taxes

Tax expense comprises of Current, Deferred and Fringe benefit tax. Current taxes and Fringe Benefit Tax is measured at the amount expected to be paid to the Tax authorities, using the applicable tax rates and tax laws.

Deferred tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward only if there is a virtual/ reasonable certainty that the assets will be realised in future.

12. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to check any indication of impairment based on internal/external factors. Impairment Loss is recognised whenever the carrying amount of an asset is in excess of its recoverable amount. The Impairment Loss is recognised as an expense in the Statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable value.

13. Employee Stock Options

(a) During the financial year, the Company has granted 49,510 (1,89,650) stock options to its employees and employees of its subsidiary companies. In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the Company has elected to use the "Intrinsic Value method" to account for the compensation cost of stock options to employees. For the year ended 31st March 2009, the Company has been advised that there is no accounting impact in the books of account in respect of such options. Had the Company adopted

"Fair Value Method" for calculating the Compensation cost, the total accounting impact for the year would have been Rs.174.41 Lakhs (Rs120.93 Lakhs) profits after tax lower by Rs.174.41 Lakhs (Rs120.93 Lakhs) and basic and diluted earnings per share would have been lower by Rs.1.58 (Rs.1.11) and Rs. 1.52 (Rs.1.04) respectively.

(b) Summary of Stock Options:

Particulars	2008-09		2007-08	
	No. of stock Options price(Rs.)	Weighted average exercise	No. of stock Options price (Rs.)	Weighted average exercise
Options outstanding at the beginning of the year	**6,53,982**	**N.A.**	4,81,190	75.67
Options granted during the year	**49,510**	**N.A.**	1,89,650	251.10
Options forfeited/lapsed/ cancelled during the year	**NIL**	**N.A.**	(16,858)	75.67
Options exercised during the year	**(2,31,599)**	**74.69**	(53,758)	75.67
Options outstanding at the end of the year	**4,71,893**	**N.A.**	6,00,224	132.07
Options vested but not exercised at the end of the year	**3,30,864**	**N.A.**	1,86,024	N.A.

(c) Average share price on the date of exercise of the option:

Date of exercise	Average Share Price on the date of the exercise (Rs.)
10.06.2008	488.63
18.09.2008	653.68
19.03.2009	239.88

(d) Information in respect of Options outstanding as at 31st March 2009:

Exercise price	Number of options	Average remaining life
68.10	1,30,828	6 months
79.50	91,775	6 months
89.95	10,130	1.5 years
204.25	1,11,470	1.5 years
317.90	78,180	1.5 years
257.00	49,510	2.5 years

(e) The fair value of option granted on 20th November 2006, 6th March 2007, 28th March 2007, 27th September 2007, 29th January 2008 and 30th October 2008 are Rs. 40.85, Rs.38.05, Rs 42.79, Rs. 113.08, Rs. 186.22 and Rs.151.65 per share respectively.

(f) The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	20th November 2006	6th March 2007	28th March 2007	27th September 2007	29th January 2008	30th October 2008
Risk free interest rate (Range)	7.50% to 7.55%	8.04% to 8.05%	8.06% to 8.10%	7.72% to 7.80%	7.43% to 7.45%	9.28% to 9.39%
Expected life	6 months	6 months	6 months	1.5 years	1.5 years	2.5 years
Expected volatility	60.78%	62.81%	62.94%	61.23%	64.47%	72.07%
Expected dividend yield	1.46%	1.46%	1.46%	1.53%	1.53%	0.82%
Exercise Price (Rs.)	68.10	79.50	89.95	204.25	317.90	257.00
Stock Price as on the date of grant (Rs.)	79.90	78.90	88.80	219.40	349.00	257.00

14. Provisions and Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not (in the opinion of the management), require outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements.

15. Earning per Share (EPS)

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year duly adjusted for additional shares issued during the year, if any.

The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for stock splits and bonus shares issued, if any.

16. Cash and Cash equivalents

Cash and Cash equivalents in the balance sheet comprises cash at bank and in hand and short term investments with an original maturity of three months or less.

17. Cash Flow Statement

Cash Flows are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

B. Notes to Accounts

1. Goodwill on Consolidation as on the Balance Sheet date comprises the following:

(Rs. In Lakhs)

Particulars	Year ended 31st March 2009	Year ended 31st March 2008
Glodyne Peoplepower Private Limited (Formerly Intercon Management Services Private Limited)	**138.07**	138.07
Glodyne Technoserve Inc.	**3,229.27**	3,229.27
Total	**3,367.34**	3,367.34

2. Operating Leases:

a. The Company has various operating leases for office facilities and residential premises for employees, which are renewable on a periodic basis and cancelable at its option. Rental expense for operating leases included in the income statements for the year is Rs. 375.17 Lakhs (Rs. 142.52 Lakhs).

b. Under these lease agreements, refundable interest free security deposits have been given by the Company.

c. These agreements provide for

Provide for increase in rental during the tenure of lease agreement

Contain renewal clause

Contain clause for restriction on sub-leasing

d. Future minimum lease payments under non-cancellable leases:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Not later than one year	**288.49**	NIL
Later than one year but not more than five years	**120.19**	NIL
Later than five years	**NIL**	NIL

e. No asset has been acquired on Finance Lease during the year.

3. Securities in respect of Secured Loans:

i) Term loans from Banks / Institutions are secured by mortgage of certain immovable and movable properties of the Goldyne Group and personal guarantees of certain Directors. Cash credit facility is secured by the hypothecation of book debts & Stock. Vehicle loans are secured by hypothecation of related motor vehicles.

ii) The company had issued 1,26,000, 9% Non Convertible Redeemable debentures of face value of Rs. 100/- (date of allotment of Debentures: 28th February 2005 and date of creation of Debenture Trust Deed: 27th May 2005). The debentures are redeemable in three installments of Rs.42 Lakhs each at the end of the third, fourth and fifth year respectively from the date of allotment. The debentures are secured by a mortgage and second charge on the movable properties of the company, immovable property owned by the subsidiary company and Personal guarantees of certain Directors of the Company. During the year, the Company has redeemed Debentures amounting to Rs. 42 Lakhs (Rs.42 Lakhs). Outstanding Debentures amounting to Rs. 42 Lakhs (Rs.84 Lakhs) are due for redemption on or before 28th February 2010.

4. The Deferred tax liability / asset as at 31st March 2009 comprises the following:

(Rs. In Lakhs)

Particulars	As at 31st March 2009	As at 31st March 2008
Deferred Tax Liability on account of:		
Depreciation	**557.03**	413.05
Deferred Tax Asset on account of:		
Deferrals / Disallowances under Income-Tax Act, 1961.	**(8.76)**	(10.21)
Net Deferred Tax Liability	**548.27**	**402.84**

5. Related Party Transactions:

As per Accounting Standard 18 on "Related Party Disclosures", disclosures of transactions with related parties as defined therein are given below:

List of related parties with whom transactions have taken place and Relationship:

a) Key Management Personnel ("KMP")

i) Mr. Annand Sarnaaik- Chairman & Managing Director

ii) Mrs. Divvyani A. Sarnnaik- Executive Director

b) Relatives of KMP

i) Mr. Nikhil Sarnaik-Brother of Mr. Annand Sarnaaik

ii) Dr. Archana Sangamnerkar-Sister of Mr. Annand Sarnaaik

iii) Dr. Nitin Sangamnerkar-Brother-in-law of Mr. Annand Sarnaaik

iv) Mr. N. G. Anil Kumar-Brother of Mrs. Divvyani A. Sarnaaik

v) Mr. N. Lalith Kumar-Brother of Mrs. Divvyani A. Sarnaaik

Transactions with Related parties during the financial year

(Rs. In Lakhs)

Transactions with Related Parties	Key Management Personnel	Relative of Key Management Personnel
Managerial Remuneration	120.00 (91.86)	NIL NIL
Dividend Paid	84.72 (70.60)	3.95 (3.29)
Balance Receivable/ (Payable)	NIL NIL	NIL NIL

Note: Previous year's comparatives have been shown in Brackets below current financial year's figures.

6. During the financial year, Company has recognised following amounts in the financial statements:

a) **Defined Contribution Plan:**

Contributions to Defined Contribution plan, recognised as expense for the financial year are as under:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Company's Contribution to Provident Fund	**22.07**	12.81
Company's Contribution to Employees State Insurance Fund	**2.22**	3.35

b) **Defined Benefit Plan:**

Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Defined Benefit Obligation at the beginning of the financial year	**11.64**	4.55
Current Service Cost	**3.91**	1.57
Interest Cost	**1.24**	0.49
Actuarial (gain) / loss	**(1.59)**	5.04
Benefits Paid	**NIL**	NIL
Defined Benefit Obligation at the year end	**15.21**	11.64

(c) **Expense recognised during the financial year under the head "Staff Cost"-Refer Schedule-J)**

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Current Service Cost	**3.91**	1.57
Interest Cost	**1.24**	0.49
Expected Return on Plan assets	**N.A.**	N.A.
Actuarial (gain) / loss	**(1.59)**	5.04
Expense recognised in the Profit and Loss Account	**3.56**	7.10

(d) **Actuarial Assumptions:**

Particulars in respect ofGratuity (non-funded)	2008-09	2007-08
Discount Rate (per annum)	**7.75%**	8.00%
Expected Rate of Return on Plan assets (per annum)	**N.A.**	N.A.
Salary Escalation (per annum)	**5.00%**	5.00%

7. Sundry Debtors and Loans and Advances are unsecured but considered good for which the company holds no security other than personal security of respective parties.

8. In the opinion of the Board, Current assets, loans and advances are realizable at a value, which is at least equal to the amount at which these are stated in the ordinary course of business and provision made for all known and determined liabilities are adequate and not in excess of the amount stated.

9. During the year, Company has collected Rs. 23.16 Lakhs towards Equity Share Capital and Rs. 155.48 Lakhs towards Securities premium, against allotment of 2,31,599 Equity shares pursuant to exercise of options.

10. During the financial year as the Company has not entered into Derivative transactions and hence the disclosures regarding the same have not been made.

11. **Segment information:**

As per Accounting Standard 17 on "Segment Reporting", the Company has reported segment information on consolidated basis including business conducted through its subsidiaries.

Assets, liabilities, revenue and expenses directly attributable to segments are reported under each reportable segment. Items which are not attributable or allocable to segments are disclosed as un-allocable assets, liabilities, revenue or expenses, as the case may be.

Based on the similarity of activities, risk and reward structure, organization structure and internal reporting system, Company has structured its operations into the following business segments:

i. **Technology IMS** – It represents Technology Integration and Technology Infrastructure Management Services. Technology Integration activities include resales and Integration of Hardware / System Software/ Database Software / Networking Products with or without one another. Technology Infrastructure Management Services represents amount charged for Facility Management Services, Maintenance upkeep of Hardware / System Software/ Database Software / Networking Products. Hitherto, Technology Integration and Technology Infrastructure Management Services were classified as separate streams of revenue. However considering the interconnected nature of such activities, these have been grouped together from current financial year and as result, previous year's segment information has been re-grouped accordingly.

ii. **Software Services -** This represents charges for development of software for customer and sales of licenses of software and others products.

(A) Financial Information about Primary Business Segment is given below:

(Rs.In Lakhs)

Sr. no.	Particulars	Reportable Business Segments		
		Technology IMS	Software Services	Total
1.	**Segment Revenue**			
	- Product & Services	38,706.47	11,395.87	**50,102.34**
		(20,303.26)	(10,482.57)	(30,785.83)
2.	Segment Results	8,297.66	3,411.79	**11,709.45**
		(3,756.35)	(2,850.22)	(6,606.57)
3.	Unallocable Income			1,005.79
				(5.35)
4.	Unallocable Expenses			2,142.56
				(1,466.82)
5.	Operating Profit			10,572.68
				(5,145.10)
6.	Finance Charges			764.68
				(410.65)
7	Net Profit before tax			**9,808.00**
				(4,734.45)
8	**Provision for Tax**			
	- Current Tax			1,843.91
				(490.50)
	- Fringe Benefit Tax			33.91
				(8.50)
	- Wealth Tax			0.04
				-
	- Deferred Tax			145.42
				(174.25)
9	**Net Profit after Tax before Minority Interest**			**7,784.72**
				(4,061.20)
10	**Net Profit after Tax and Minority Interest**			**7,779.97**
				(4,061.18)

Other Information

(Rs.In Lakhs)

Sr. no.	Particulars	Reportable Business Segments		
		Technology IMS	Software Services	Total
9	Segment Assets	13,882.38 (3,393.66)	6,058.93 (6,102.41)	19,941.31 (9,496.07)
10	Unallocable Assets	-	-	12,056.78 (4,503.52)
11	**Total Assets**			**31,998.09** (13,999.59)
12	Segment Liabilities	882.59 (358.61)	493.35 (334.90)	1,375.94 (693.51)
13	Unallocable Liabilities	-	-	14,502.85 (4,567.69)
14	**Total Liabilities**		**-**	**15,878.79** (5,261.20)
15	Capital Expenditure incurred during the year	1,328.44 (298.13)	570.99 (1,111.83)	1,899.43 (1,409.96)
16	Depreciation	481.59 (158.74)	336.17 (224.24)	817.76 (382.98)

(B) Financial Information about Geographical Segment is given below:

Sr. no.	Particulars	India	Rest of the World	Total
1	Segment Revenue	37,349.00 (23,523.15)	12,753.34 (7,262.68)	**50,102.34** (30,785.83)
2	Segment Assets	20,241.64 (5,497.24)	11,756.45 (8,502.35)	**31,998.09** (13,999.59)
3	Segment Liabilities	13,105.26 (3,148.74)	2,773.53 (2,112.46)	**15,878.79** (5,261.20)

Note: Amounts in bracket represent previous year's figures.

12. Earning per share (EPS)

(Rs. In Lakhs)

Particulars	Units	Year ended 31.03.09	Year ended 31.03.08
Net profits attributable to shareholders **(A)**	Rs. in Lakhs	**7,779.97**	4,061.18
Add: Amortisation of Employee Compensation Cost (as per Intrinsic value method) recognised in the Accounts	Rs. in Lakhs	**NIL**	NIL
Less: Amortisation of Employee Compensation Cost (as per Fair value method) not recognised in the Accounts	Rs. in Lakhs	**(174.41)**	(120.93)
Net profits as adjusted above **(B)**	Rs. in Lakhs	**7,605.56**	3,940.27
Weighted average number of equity shares outstanding during the year (before adjusting the Dilutive potential equity shares) **(C)**	Nos.	**1,10,35,948**	1,08,77,624
Number of Stock Options Outstanding as on the balance sheet date	Nos.	**4,71,893**	6,53,982
Number of Dilutive potential equity shares **(D)**	Nos.	**4,71,893**	6,53,982
Total number of Equity shares for Diluted EPS [(C)+(D)] =**(E)**	Nos.	**1,15,07,841**	1,15,31,606
Nominal Value of Equity Shares	Rs.	**10/-**	10/-
Basic & Diluted EPS as reported [(A)/(C)]	Rs.	**70.50**	37.34
Basic EPS as adjusted [(B)/(C)]	Rs.	**68.92**	36.22
Diluted EPS as reported [(A)/(E)]	Rs.	**67.61**	35.22
Diluted EPS (as adjusted) [(B)/(E)]	Rs.	**66.09**	34.17

13. Contingent Liabilities and commitments not provided for:

(Rs. In Lakhs)

Particulars	As at 31.03.2009	As at 31.03.2008
a. Unexpired Letters of Credit	**320.50**	86.88
b. Guarantees issued by bankers against company's counter guarantee.	**1,303.42**	86.27
c. Capital Commitments in respect of Capital-work-in-progress (net of advances paid)	**5,442.51**	90.00
d. Guarantees given by the company in respect of the loans taken by a Subsidiary company	**3,548.73**	1,698.73
Total	**10,615.16**	1,961.88

14. The Previous year's figures have been regrouped, reclassified and recast wherever required. Figures in bracket indicate previous year's figures.

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

Nilesh M. Kapadia
Partner
Membership No.33697

Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Statement relating to Subsidiary Companies as on March 31, 2009

(Rs.in Lakhs)

Name of the Subsidiary Company	Glodyne Peoplepower Pvt. Limited (formerly Intercon Management Services Pvt. Limited)	Smaarftech Technologies Private Limited	Glodyne Technoserve Inc.	Glodyne Technoserve (East) Inc.	Front Office Technologies Inc.
Issued & Subscribed Share Capital	420.00	460.00	734.70	1.27	0.51
Preferred Stock	NIL	NIL	2,739.27	NIL	NIL
Reserves	18.24	NIL	444.99	1,176.30	315.70
Total Assets	875.99	4,579.23	8,805.25	3,585.55	961.26
Total Liabilities	437.75	4,119.23	4,886.29	2,407.98	645.05
Investments	NIL	NIL	4,121.86	NIL	NIL
Turnover/ Total Revenue	33.09	NIL	3,525.90	2,471.06	967.78
Profit before Taxation	29.05	NIL	255.59	196.36	162.64
Provision for Taxation (incl.FBT)	19.36	NIL	81.14	63.38	54.93
Profit after Taxation	9.69	NIL	174.45	132.98	107.71
Proposed Dividend	NIL	NIL	NIL	NIL	NIL

GLODYNE TECHNOSERVE SINGAPORE PTE LIMITED

DIRECTORS' REPORT

The Directors present the Annual Report together with Financial Statement of the Company for the year ended March 31, 2009.

Financial Results

The Company has not started its operations since from the date of its inception; therefore it does not have any revenues for the year under review. The Accounts of the Company is prepared in accordance with the Singapore laws. The Balance Sheet for the financial year 2008-09 is annexed hereto.

Dividend

The Directors do not recommend dividend for the year under review.

Holding Company

The Company is the subsidiary Company of Glodyne Technoserve Limited, India.

Acknowledgements

The Board of Directors put on record their sincere thanks & appreciation to the Bankers, Government & the Regulatory Authority in Singapore for their continued support during the year.

For **Glodyne Technoserve Singapore Pte Limited**

Sd/-

Annand Sarnaaik
Director

Date: June 10, 2009

BALANCE SHEET AS AT 31st MARCH, 2009

Particulars	SGD	INR in Lakhs
ASSETS		
Deposits	3,000.00	1.00
Profit & Loss (Dr Balance)	5,802.53	1.93
Total Assets	**8,802.53**	**2.93**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Loan from Glodyne Technoserve Limited	8,792.53	2.93
Equity		
10 Equity Shares of SGD 1 fully paid	10.00	0.003
Total Liabilities & Equity	**8,802.53**	**2.93**

(SGD represents Singapore Dollar).

Note: The above financials statements are translated into Indian Currency @ 1 SGD = Rs. 33.31

Auditors' Report

TO THE MEMBERS OF

GLODYNE TECHNOSERVE LIMITED

1. We have audited the attached Balance Sheet of **GLODYNE TECHNOSERVE LIMITED** ("the Company") as at 31st March, 2009 and related Profit and Loss Account and Cash Flow Statement of the Company for the year 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.

2. We conducted our audit in accordance with the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), and on the basis the information and explanations given to us and books and records examined by us in the normal course of audit and to the best of our knowledge and belief we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. 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 purpose of the audit;

   b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the 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 Act, to the extent applicable;

   e) 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 as a director in terms of clause (g) of sub-section (1) of section 274 of the Act; and

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Act 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, 2009;

      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Nilesh M. Kapadia & Co.
Chartered Accountants

Sd/-

Nilesh M. Kapadia
Partner
Membership No.33697

Place: Mumbai
Date : 30th June, 2009

Annexure to the Auditors' Report

[Referred to in paragraph (3) of our report of even date to the members of Glodyne Technoserve Limited]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year at regular intervals. In our opinion, the periodicity of verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) Since no part of the fixed assets has been disposed off by the Company during the year, paragraph 4(i) (c) of the Order is not applicable.

(ii) (a) As informed to us, the inventories have been physically verified by the Management. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures adopted by the Management for the physical verification of inventories are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of records of inventory, in our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of the stocks as compared to the book records.

(iii) (a) The Company has granted unsecured loans to four subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 7,507.37 Lakhs and the year end balance of such loans was Rs. 4,530.94 Lakhs.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for the loans mentioned in para (iii) (a) above, are *prima facie* not prejudicial to the interest of the Company.

(c) Since the loans mentioned in para (iii) (a) above are without any fixed repayment schedule, the question of examining the regularity of repayment of the Principal amount and interest thereon, does not arise.

(d) For the same reasons given in para (iii) (c) above, the question of examining the overdue amount and commenting on the reasonableness of the steps taken by the Company for the recovery of such loans does not arise.

(e) According to information and explanations given to us, the Company has, during the year taken unsecured loan from a subsidiary covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.86.28 Lakhs and the year end balance of such loans was Rs.NIL.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loan mentioned in para (iii) (e) above, were *prima facie* not prejudicial to the interest of the Company.

(g) Since the loan mentioned in para (iii) (e) above was without any fixed repayment schedule and the same was fully repaid during the year, the question of examining the regularity of repayment of the Principal amount and interest thereon, does not arise.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year.

(vii) The Company has appointed a firm of Chartered Accountants to carry out its internal audit function. In our opinion, internal audit system is commensurate with its size and nature of its business.

(viii) According to the information and explanations given to us and to the best of our knowledge, 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 for the products / services of the Company.

(ix) (a) According to the information and explanations given to us and according to the books and records examined by us, in our opinion, the company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee State Insurance, Value Added Tax, Income Tax and other material statutory dues applicable to it *except certain instances of delays were noticed.* According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute with the Statutory authorities, except Rs. 28.64 Lakhs and Rs. 26.69 Lakhs being disputed Income Tax demands for Assessment Year 2005-06 and Assessment Year 2006-07 respectively. Both these demands being contested by the Company in appeals pending before the Commissioner (Appeals).

(x) The Company neither has accumulated losses as at 31st March 2009 nor has it incurred any cash losses during the current financial year or in the immediately preceding financial year.

(xi) Based on our audit procedures and on the basis of information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution, bank or debenture holders.

(xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.

(xiii) In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund /society.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other Investments.

(xv) According to the information and explanations given to us, the Company has given guarantee to a bank in respect of a loan taken by one of its subsidiaries. In our opinion, the terms and conditions of the said guarantee is *prima facie* not prejudicial to the interest of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company has applied the term loans for the purpose for which such loans were obtained.

(xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.

(xviii) During the year under Audit, the Company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us and the records examined by us, security or charge has been created in respect of the debentures issued.

(xx) The company has not raised any money by public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.

(xxi) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Nilesh M. Kapadia & Co.
Chartered Accountants

Sd/-

Nilesh M. Kapadia
Partner
Membership No.33697

Place : Mumbai
Date : 30th June, 2009

Glodyne

Balance Sheet as at 31st March, 2009

(Rs. in Lakhs)

Particulars	Schedule	As at 31.03.2009		As at 31.03.2008	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	1,110.92		1,087.76	
Share Application monies (Pending Allotment)		-		89.12	
Reserves and Surplus	B	13,336.18	14,447.10	6,356.25	7,533.13
Loan Funds					
Secured Loans	C	6,657.31		996.17	
Unsecured Loans		-	6,657.31	692.00	1,688.17
Deferred Tax Liability			541.76		383.34
TOTAL			21,646.17		9,604.64
APPLICATION OF FUNDS					
Fixed Assets	D				
Gross Block		4,721.21		3,031.14	
Less:- Depreciation		(1,274.64)		(723.74)	
Net Block		3,446.57		2,307.40	
Capital Work in progress		78.26	3,524.83	206.20	2,513.60
Investments	E		3,628.55		839.32
Current Assets, Loans & Advances	F				
Inventories		572.26		268.62	
Sundry Debtors		10,964.91		5,540.37	
Cash and Bank Balances		102.56		54.99	
Loans and Advances		6,009.58		1,641.74	
		17,649.31		7,505.72	
Current Liabilities and Provisions	G				
Current Liabilities		1,088.86		769.88	
Provisions		2,067.66		484.12	
		3,156.52		1,254.00	
Net Current Assets			14,492.79		6,251.72
TOTAL			21,646.17		9,604.64
Significant Accounting policies and Notes to Accounts	L				

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

For and on behalf of the Board

Nilesh M. Kapadia
Partner
Membership No.33697

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Place : Mumbai
Date : 30th June, 2009

Glodyne

Profit & Loss Account for the year ended 31st March, 2009

(Rs. in Lakhs)

Particulars	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME			
Revenue from Operations	H	**46,058.32**	27,296.30
Other Income	I	**1,018.79**	80.30
TOTAL		**47,077.11**	27,376.60
EXPENDITURE			
Operating & Other expenses	J	**36,676.61**	22,914.00
Finance Charges	K	**670.20**	237.86
Depreciation / Amortisation	D	**550.90**	344.36
TOTAL		**37,897.71**	23,496.22
Profit before Tax		**9,179.40**	3,880.38
Less: Provision for Taxation			
Current Taxes		**(1,636.02)**	(335.21)
[including short provision of Rs. 221.01 Lakhs (P.Y. 0.21 Lakhs)] for prior years]			
Fringe Benefit Tax		**(10.00)**	(8.50)
Wealth Tax		**(0.04)**	-
Deferred Taxes		**(158.42)**	(171.21)
Net Profit after Tax		**7,374.92**	3,365.46
Balance brought forward		**5,317.80**	2,191.06
Add: Change on account of transitional provision under AS-15		**-**	0.06
Add: Transfer from Debenture Redemption Reserve		**-**	42.00
Amount Available for Appropriation		**12,692.72**	5,598.58
Appropriation:			
Proposed Dividend		**470.51**	132.18
Tax on Proposed Dividend		**79.96**	22.46
Transfer to General Reserve		**737.50**	84.14
Transferred to Debenture Redemption Reserve		**-**	42.00
Balance Carried to Balance Sheet		**11,404.75**	5,317.80
		12,692.72	5,598.58
Significant Accounting policies and Notes to Accounts	L		
Earning per Share - Basic (Rs.)		**66.83**	30.94
- Diluted (Rs.)		**62.57**	28.14
[refer Note B-17 of Schedule 'L']			

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

For and on behalf of the Board

Nilesh M. Kapadia
Partner
Membership No.33697

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Place : Mumbai
Date : 30th June, 2009

Cash Flow Statement for the year ended 31st March, 2009

(Rs. in Lakhs)

Particulars	Year ended 31.03.2009		Year ended 31.03.2008	
Net Profit before Taxation and extraordinary items		**9,179.40**		**3,880.38**
A. Cash Flow from Operating Activities :				
Adjustment for :				
Depreciation /amortisation	**550.90**		344.36	
Interest and other Finance Charges	**670.20**		237.86	
Interest received	**(138.56)**		(80.29)	
Dividend received	**(0.002)**		(0.002)	
Foreign Exchange Fluctuation Loss / (Gain) [unrealised]	**(643.00)**		89.07	
Sundry Balances written back (net)	**(4.86)**	**434.67**	15.07	606.07
Operating Profit before working capital changes		**9,614.07**		4,486.45
Adjustment for :				
Decrease / (Increase) in Inventories	**(303.64)**		(102.22)	
Decrease / (Increase) in Trade & Other Receivables	**(5,738.73)**		(2,744.85)	
(Decrease) / Increase in Trade & Other Payables	**323.71**	**(5,718.66)**	117.07	(2,730.00)
Cash generated from operations		**3,895.41**		1,756.45
Taxes paid (including Fringe Benefit Tax)		**(571.94)**		(168.75)
Net Cash Flow from Operating Activities		**3,323.47**		1,587.70
B. Cash Flow from Investing Activities :				
Interest received	**138.56**		80.29	
Dividend received	**0.002**		0.002	
Increase in Investments in subsidiaries	**(2,789.23)**		(44.12)	
Loans to Subsidiaries	**(3,296.83)**		(1,234.11)	
(Increase) / Decrease in fixed deposits *(under lien with scheduled banks)*	**1.80**		5.12	
Decrease in fixed assets	**-**		0.03	
Increase in fixed assets & Capital Work-in Progress	**(1,562.13)**		(1,626.44)	
Net Cash from Investment Activities		**(7,507.82)**		(2,819.23)
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Equity Shares (including Securities Premium)	**89.51**		-	
Share Application monies(Pending Allotment)	**-**		89.12	
Proceeds/ (Repayment) of Secured loans (net)	**5,661.15**		(51.34)	
Proceeds/ (Repayment) of Unsecured loans	**(692.00)**		692.00	
Interest and other Finance Charges	**(670.20)**		(237.86)	
Dividend paid (including Dividend Tax)	**(154.73)**		(152.24)	
Net Cash from Financing Activities		**4,233.73**		339.68
Net (Decrease)/Increase in cash and cash equivalent		**49.38**		(891.85)
Cash and cash equivalent at the beginning of the year		**23.74**		915.59
Cash and cash equivalent at the end of year		**73.12**		23.74
Fixed Deposits held by Scheduled banks under lien		**29.44**		31.25
Cash and cash equivalent at the end of year (as per Schedule F)		**102.56**		54.99

Note: Previous year figures have been regrouped, rearranged, recast wherever considered necessary.

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

For and on behalf of the Board

Nilesh M. Kapadia
Partner
Membership No.33697

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Place : Mumbai
Date : 30th June, 2009

Schedules forming part of the Accounts for the year ended 31st March, 2009

(Rs. in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'A' - SHARE CAPITAL				
AUTHORISED:				
2,00,00,000 (1,50,00,000) Equity Shares of Rs. 10/- each		**2,000.00**		1,500.00
50,00,000 (NIL) Preference Shares of Rs. 10/- each		**500.00**		-
		2,500.00		1,500.00
ISSUED, SUBSCRIBED AND PAID UP:				
1,11,09,223 (1,08,77,624) Equity Shares of Rs. 10 each fully paid up (refer note B-8 of Schedule 'L')		**1,110.92**		1,087.76
Of the above:				
33,91,706 (33,91,706) Equity Shares of Rs. 10/- each were allotted as Bonus Shares by way of capitalisation of General Reserve and balance in Profit and Loss Account				
SCHEDULE 'B' - RESERVES AND SURPLUS				
(A) Securities Premium				
Opening balance	**846.05**		846.05	
Additions during the year (refer note B-8 of Schedule 'L')	**155.48**	**1,001.53**	-	846.05
Closing balance				
(B) Debenture Redemption Reserve				
Opening Balance	**42.00**		42.00	
Less: Transferred to Profit and Loss Account	**-**		(42.00)	
	42.00		-	
Add:- Transferred from Profit & Loss Account	**-**		42.00	
Closing balance		**42.00**		42.00
(C) General Reserve				
Opening Balance	**150.40**		66.26	
Add:- Transferred from Profit and Loss Account	**737.50**	**887.90**	84.14	150.40
Closing balance				
(D) Profit and Loss Account		**11,404.75**		5,317.80
TOTAL		**13,336.18**		6,356.25
SCHEDULE 'C' - LOAN FUNDS				
Secured Loans				
(refer Note B-9 of Schedule 'L')				
From Banks				
Cash Credit facilities & other working capital facilities	**5,632.02**		787.06	
Working Capital Term Loans	**913.19**		107.99	
Vehicle loans	**70.10**	**6,615.31**	17.12	912.17
(Amount due within one year in respect of above loans Rs.416.49 Lakhs (Rs.60.87 Lakhs)				
Debentures				
9% Secured Non-Convertible Redeemable Debentures issued to Wipro Limited	**84.00**		126.00	
Less: Redeemed during the year	**(42.00)**	**42.00**	(42.00)	84.00
Total Secured Loans		**6,657.31**		996.17
Unecured Loans				
Short Term Unsecured Loan from a Scheduled Bank		**-**		692.00
TOTAL		**6,657.31**		1,688.17

SCHEDULE 'D' - FIXED ASSETS

(Rs. in Lakhs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	**As at April 1, 2008**	**Additions during the year**	**Deduction during the year**	**As at March 31, 2009**	**As at April 1, 2008**	**Additions during the year**	**Deduction during the year**	**As at March 31 2009**	**As at March 31, 2009**	**As at March 31, 2008**
Tangible Assets										
Lease Hold Premises	**48.65**	-	-	**48.65**	**6.35**	0.79	-	7.14	**41.51**	**42.30**
Lease Hold Improvements	-	82.94	-	**82.94**	-	17.59	-	17.59	**65.35**	**-**
Office Premises	**6.60**	-	-	**6.60**	**0.87**	0.11	-	0.98	**5.62**	**5.73**
Office Equipments	**30.35**	4.41	-	**34.76**	**5.02**	1.75	-	6.77	**27.99**	**25.33**
Furniture & Fixtures	**258.69**	15.26	-	**273.95**	**22.17**	16.87	-	39.04	**234.91**	**236.52**
Vehicles	**39.99**	75.45	-	**115.44**	**7.86**	8.55	-	16.41	**99.03**	**32.13**
Computer Systems	**1,103.77**	1,507.29	-	2,611.06	**465.01**	196.09	-	661.10	**1,949.96**	**638.76**
Intangible Assets										
Softwares	**1,543.08**	4.73	-	**1,547.81**	216.46	309.15	-	525.61	**1,022.20**	**1,326.62**
Current Period	**3,031.14**	**1,690.08**	**-**	**4,721.21**	**723.74**	**550.90**	**-**	**1,274.64**	**3,446.57**	**2,307.40**
Previous Year	1,536.30	1,496.44	(0.03)	3,032.72	380.96	344.36	(0.0004)	725.32	2,307.39	**-**

Schedules forming part of the Accounts for the year ended 31st March, 2009

(Rs. in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'E' - INVESTMENTS				
Long Term Investments (at Cost)				
Trade Investments (Unquoted - Fully Paid Up)				
(a) 25,20,000 (97,815) Equity Shares of Glodyne Peoplepower Private Limited (formerly Intercon Management Services Private Limited) a Subsidiary Company [Face Value per share: Rs.10/-(Rs.100/-) each] [Out of the above, 93,718 Equity Shares were received as Bonus]		**354.60**		200.41
(b) 45,97,600 (NIL) Equity Shares of Smaarftech Technologies Private Limited A Subsidiary Company [Face Value per share: Rs.10/- each]		**459.76**		-
(c) 3,012 (3,012) Equity Shares of Glodyne Technoserve Inc. USA A wholly owned subsidiary [total investment value USD 14,42,000 (USD 14,42,000)]		**638.89**		638.89
(d) 1,29,033 (NIL) Preferred Stock of Glodyne Technoserve Inc. USA A wholly owned subsidiary [total investment value USD 53,76,390 (NIL)]		**2,175.29**		-
(e) 10 (10) Equity Shares of Glodyne Technoserve Singapore Pte. Limited, Singapore A Wholly Owned Subsidiary [total investment value SGD 10 (SGD 10)]		**0.003**		0.003
(f) 100 (100) Equity Shares of Saraswat Co-operative Bank Ltd. [Face Value per share: Rs.10/- each]		**0.01**		0.01
TOTAL		**3,628.55**		839.32
SCHEDULE 'F' - CURRENT ASSETS, LOANS AND ADVANCES				
CURRENT ASSETS				
1. INVENTORIES *(As taken, valued and certified by the Management)*				
Goods for Resale Computer Equipments, Peripherals and Software		**572.26**		268.62
2. SUNDRY DEBTORS (Unsecured, Considered Good)				
Outstanding for over six months	**1,170.30**		304.90	
Others	**9,794.61**	**10,964.91**	5,235.47	5,540.37
[including Rs.4,483.99 Lakhs (Rs. 2,458.14 Lakhs) due from Subsidiaries]				
3. CASH AND BANK BALANCES				
- Cash on Hand	**3.89**		12.31	
Balances with Scheduled Banks				
(i) In Deposit Accounts *(held under lien by Scheduled banks)*	**29.44**		31.24	
(ii) In Current Accounts	**67.75**		10.21	
(iii) In Dividend Account	**1.48**	**102.56**	1.23	54.99

Schedules forming part of the Accounts for the year ended 31st March, 2009

(Rs. in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'F' ***(Contd.)***				
LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
(i) Loans and Advances to Subsidiaries	**4,530.94**		1,234.11	
(ii) Advance to Suppliers	**935.66**		8.83	
(iii) Advance to Staff	**55.68**		1.12	
(iv) Advances recoverable in cash or in kind or for value to be received	**25.24**		7.81	
(v) Deposits *(including to Rs. 185 Lakhs (Rs. 185 Lakhs) to a subsidiary)*	**459.95**		386.63	
(vi) Other Current Assets	**2.11**	**6,009.58**	3.24	1,641.74
TOTAL		**17,649.31**		7,505.72
SCHEDULE 'G' - CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES :				
(i) Sundry Creditors for goods, services and expenses				
- Due to Micro and Small Enterprises	**0.08**		-	
- Others *(refer Note B-15 of Schedule "L")*	**1,004.57**		629.33	
(ii) Dues to Subsidiaries	**4.49**		15.63	
(iii) Advances from Customers	**2.97**		88.18	
(iv) Unclaimed Dividend * *[*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund]*	**0.94**		1.03	
(v) Other Liabilities	**75.81**	**1,088.86**	35.71	769.88
PROVISIONS :				
For Staff Retirement Benefits	**25.79**		21.15	
For Proposed Dividend	**470.51**		132.18	
For Tax On Dividend	**79.96**		22.46	
For Income Tax (including Fringe Benefit Tax) [net of relative payments, if any]	**1,491.40**	**2,067.66**	308.33	484.12
TOTAL		**3,156.52**		1,254.00
SCHEDULE 'H' - REVENUE FROM OPERATIONS				
Technology IMS	**37,037.81**		19,274.21	
Software Services	**9,020.51**		8,022.09	
TOTAL		**46,058.32**		27,296.30

Schedules forming part of the Accounts for the year ended 31st March, 2009

(Rs. in Lakhs)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'I' - OTHER INCOME				
Interest received - Gross *(including Rs.135.83 Lakhs (Rs.74.94 Lakhs from Subsidiaries)* *(Tax deducted at Sources Rs.23.77 Lakhs (Rs.0.86 Lakhs)*	**138.56**		80.29	
Dividend	**0.002**		0.002	
Foreign Exchange Fluctuation Gain (net)	**875.29**		-	
Sundry Balances written back (net)	**4.86**		-	
Miscellaneous Income	**0.07**		0.006	
TOTAL		**1,018.79**		80.30
SCHEDULE 'J' - OPERATING & OTHER EXPENSES				
Material Cost, Software Development, Contract & Service Charges		**31,654.80**		20,110.60
Staff Costs				
Salaries, allowances, Incentives & Contractual payments	**4,020.65**		2,045.13	
Contribution to Statutory Funds	**21.70**		16.16	
Staff Welfare	**15.57**		9.60	
Staff Training & Recruitment	**16.29**	**4,074.21**	13.43	2,084.32
Directors' Remuneration				
Salaries and allowances	**117.41**		87.86	
Contribution to Statutory Funds	**2.59**		4.00	
Sitting Fees	**1.34**	**121.34**	1.87	93.73
Communication Costs		**55.45**		40.79
Advertisement, Publicity and Business Promotion		**15.55**		15.39
Legal & Professional Expenses		**104.50**		98.46
Office Maintenance		**18.20**		26.93
Travelling & Conveyance		**156.82**		127.25
Electricity Charges		**28.44**		18.71
Rent		**331.57**		98.88
Insurance		**4.35**		1.35
Auditors' Remuneration		**9.45**		7.00
Postage & Courier Charges		**10.54**		9.35
Printing and Stationery		**12.50**		11.46
Rates & Taxes		**33.13**		10.77
Donations		**0.11**		0.78
Vehicle Expenses		**7.97**		2.16
Commission		**24.63**		0.24
Brokerage		**7.45**		6.48
Foreign Exchange Fluctuation Loss (net)		**-**		119.77
Membership & Subscription		**2.63**		3.12
Sundry Balances Written off (net)		**-**		15.07
Miscellaneous Expenses		**2.97**		11.40
TOTAL		**36,676.61**		22,914.00
SCHEDULE 'K' - FINANCE CHARGES				
Interest on Debentures	**7.24**		11.01	
Interest to others	**1.29**		0.01	
Bank Interest	**609.70**		207.11	
Bank Charges and Commission	**51.97**		19.73	
TOTAL		**670.20**		237.86

Schedule 'L': Significant Accounting Policies and Notes to Accounts

Company Overview:

Glodyne Technoserve Limited ('the Company") is engaged in Technology Infrastructure Management Services and Application Software Services in India and Overseas. The Company has head quarters at Mumbai, India.

A. Significant Accounting Policies

(i) Basis of Accounting

The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on accrual basis. The IGAAP comprises Accounting Standards notified under Companies Accounting Standards Rules, 2006 by the Central Government of India under Section 211(3C) of the Companies Act, 1956, various pronouncements of the Institute of Chartered Accountants of India, and the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently issued or revised Accounting Standards on an ongoing basis.

(ii) Use of estimates

The preparation of financial statements in conformity with IGAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. Examples of such estimates and assumptions include useful lives of fixed assets and Intangible assets, taxes, provision for doubtful debts, anticipated obligations under employee retirement plans, etc. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent. Actual results could differ from those estimates.

(iii) Revenue Recognition

Direct revenue of the Company comprises the income from following principal activities:

i. **Technology IMS** – This represents Technology Integration and Management Services. Technology Integration activities include resales and Integration of Hardware/ System Software/ Database Software / Networking Products with or without one another. Revenue from Technology Integration is recognised on delivery to the customer and acknowledgement thereof, in accordance with the terms of the individual contracts. Management Services represents amount charged for Facility Management Services, Maintenance upkeep of Hardware / System Software/ Database Software / Networking Products. Revenue from Management Services is recognised over the life of the contracts. Maintenance revenue on expired contracts on which services have continued to be rendered is recognised on renewal of contract or on receipt of payment.

ii. **Software Services -** This represents charges for development of software for customer and sale of licenses of software and other products. Revenue from Software services is recognised when the software is developed and installed / delivered to the customers as per the terms of the contract. Revenue on sale of licenses of software and other products is recognised on delivery / installation, as the case may be.

Indirect Revenue of the Company generally comprises the following items:

i. **Interest Income -** Interest Income is recognised based on time proportion and on gross basis.

ii. **Dividend Income -** Dividend Income is recognised on when the Company's right to receive dividend is established.

(iv) Fixed assets, Intangible Assets, Capital Work-in Progress and Depreciation

i. All fixed assets are stated at cost less accumulated depreciation. For this purpose cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

ii. Intangible assets are stated at the consideration paid for purchase / acquisition less accumulated amortization.

iii. Capital Work in Progress includes advances paid for acquiring fixed assets and cost of assets not ready for intended use before the balance sheet date.

iv. Depreciation on all assets is provided pro-rata to the period of use, under straight-line method, at rates prescribed in Schedule XIV of the Companies Act, 1956. Intangible assets are amortised over their respective individual estimated useful lives (not exceeding five years) on a straight line basis, commencing from the date the asset is available for its intended use.

(v) Investments

Trade Investments are the investments made to enhance the Company's business interest. Investments are either classified as Long term or Current based on the Management's intention at the time of purchase. Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Long Term Investments. Long Term Investments are stated at Cost. A provision for diminution in value is made to recognise a decline, other than temporary, in the value of long term investments. Current Investments, if any, are valued at lower of cost and net realizable value.

(vi) Inventories

Inventories include stocks of Computer equipments, peripherals and traded software in respect of Infrastructure Management Services of the Company and the same is valued at lower of cost (net of provision for obsolescence) or net realizable value. Cost is determined on First In First Out (FIFO) basis.

(vii) Foreign exchange transactions

Transactions in foreign currencies are generally recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate ruling on that date. Exchange differences on foreign exchange transactions are recognised in the profit and loss account.

(viii) Accounting for Employee Benefits

Staff Costs and Directors' Remuneration include Short term employee benefits such as Salaries, allowances, incentives, and short term compensated absences etc. It also includes company contributions towards Defined Contribution plans and provisions for Defined Benefit plans.

(a) Short Term Employee Benefits

Short term employee benefits are recognised in the period during which the services are rendered. Provision for unused entitlements in respect of compensated absences is made for on the basis of actuarial valuation made at the end of each financial year.

(b) Post Employment Benefits

(i) Provident Fund (PF) & Employees' State Insurance Scheme (ESIC)- Defined Contribution Plans

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 all eligible employees of the Company are entitled to receive benefits which is a Defined Contribution Plan. In addition, some employees of the Company are covered under ESIC Act, 1948, which is also a Defined Contribution Plan. Both these Plans are recognised and administered by the Government of India. Both the employees and the Company make monthly contributions to these plans. The Company's contributions to these schemes are recognised as expense in the Profit and Loss Account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

(ii) Gratuity- a Defined Benefit Plan

The Company provides for Gratuity in accordance with the Payment of Gratuity Act, 1972, a Defined Benefit Plan. The plan, subject to the provisions of the above Act, provides for lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment. Gratuity

liability is accrued and provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of each financial year. Actuarial gains / losses are recognised immediately to the Profit and Loss Account.

(ix) Accounting for Taxes

Tax expense comprises of Current, Deferred and Fringe benefit tax. Provision for Current taxes and Fringe Benefit Tax is made in accordance with the relevant provisions of the Income - tax Act, 1961.

Deferred tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward only if there is a virtual/ reasonable certainty that the assets will be realised in future.

(x) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to check any indication of impairment based on internal/external factors. Impairment Loss is recognised whenever the carrying amount of an asset is in excess of its recoverable amount. The Impairment Loss is recognised as an expense in the Statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable value.

(xi) Employee Stock Options

(a) During the financial year, the Company has granted 49,510 (1,89,650) stock options to its employees and employees of its subsidiary companies. In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the Company has elected to use the "Intrinsic Value method" to account for the compensation cost of stock options to employees. For the year ended 31st March 2009, the Company has been advised that there is no accounting impact in the books of account in respect of such options. Had the Company adopted "Fair Value Method" for calculating the Compensation cost, the total accounting impact for the year would have been Rs.174.41 Lakhs (Rs.120.93 Lakhs) profits after tax lower by Rs.174.41 Lakhs (Rs.120.93 Lakhs) and basic and diluted earnings per share would have been lower by Rs.1.58 (Rs.1.11) and Rs. 1.52 (Rs.1.04) respectively.

(b) Summary of Stock Options:

Particulars	2008-09		2007-08	
	No. of stock Options	Weighted average exercise price (Rs.)	No. of stock Options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	**6,53,982**	**N.A.**	4,81,190	75.67
Options granted during the year	**49,510**	**N.A.**	1,89,650	251.10
Options forfeited/lapsed/ cancelled during the year	**NIL**	**N.A.**	(16,858)	75.67
Options exercised during the year	**(2,31,599)**	**74.69**	(53,758)	75.67
Options outstanding at the end of the year	**4,71,893**	**N.A.**	6,00,224	132.07
Options vested but not exercised at the end of the year	**3,30,864**	**N.A.**	1,86,024	N.A.

(c) Average share price on the date of exercise of the option:

Date of exercise	Average Share Price on the date of the exercise (Rs.)
10.06.2008	488.63
18.09.2008	653.68
19.03.2009	239.88

(d) Information in respect of Options outstanding as at 31st March 2009:

Exercise price	Number of options	Average remaining life
68.10	1,30,828	6 months
79.50	91,775	6 months
89.95	10,130	1.5 years
204.25	1,11,470	1.5 years
317.90	78,180	1.5 years
257.00	49,510	2.5 years

(e) The fair value of option granted on 20th November 2006, 6th March 2007, 28th March 2007, 27th September 2007, 29th January 2008 and 30th October 2008 are Rs. 40.85, Rs. 38.05, Rs 42.79, Rs. 113.08, Rs. 186.22 and Rs.151.65 per share respectively.

(f) The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	20th November 2006	6th March 2007	28th March 2007	27th September 2007	29th January 2008	30th October 2008
Risk free interest rate (Range)	7.50% to 7.55%	8.04% to 8.05%	8.06% to 8.10%	7.72% to 7.80%	7.43% to 7.45%	9.28% to 9.39%
Expected life	6 months	6 months	6 months	1.5 years	1.5 years	2.5 years
Expected volatility	60.78%	62.81%	62.94%	61.23%	64.47%	72.07%
Expected dividend yield	1.46%	1.46%	1.46%	1.53%	1.53%	0.82%
Exercise Price (Rs.)	68.10	79.50	89.95	204.25	317.90	257.00
Stock Price as on the date of grant (Rs.)	79.90	78.90	88.80	219.40	349.00	257.00

(xii) Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not (in the opinion of the management), require outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements.

(xiii) Earning per Share (EPS)

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year duly adjusted for additional shares issued during the year, if any.

The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for stock splits and bonus shares issued, if any.

(xiv) Cash and Cash equivalents

Cash and Cash equivalents in the balance sheet comprises cash at bank and in hand and short term investments with an original maturity of three months or less.

(xv) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

B. Notes to Accounts

1. Operating Leases:

a. The Company has various operating leases for office facilities and residential premises for employees, which are renewable on a periodic basis and cancelable at its option. Rental expense for operating leases included in the income statements for the year is Rs. 331.57 Lakhs (Rs. 98.88 Lakhs).

b. Under these lease agreements, refundable interest free security deposits have been given by the Company.

c. These agreements provide for

Provide for increase in rental during the tenure of lease agreement

Contain renewal clause

Contain clause for restriction on sub-leasing

d. Future minimum lease payments under non-cancellable leases:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Not later than one year	**288.49**	NIL
Later than one year but not more than five years	**120.19**	NIL
Later than five years	**NIL**	NIL

e. No asset has been acquired on Finance Lease during the year.

2. Earnings in foreign Currency:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Software Services	**818.81**	445.62
Technology Infrastructure Management Services	**7,890.51**	3,327.54
Total	**8,709.32**	3,773.16

3. Value of Imports (C.I.F. Value)

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Purchase of Hardware / Software	**NIL**	19.96
Purchase of Fixed Assets	**NIL**	5.92
Total	**NIL**	**25.88**

4. Expenditure in foreign Currency

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Traveling Expenses	**2.72**	2.03

5. Particulars of dividend declared and paid to non-residents

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Number of Non-resident shareholders	**25**	79
Number of shares held by them	**9,479**	51,739
Dividend	**0.11**	0.62

6. Managerial Remuneration

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Salaries, Allowances etc.	**117.41**	87.86
Contribution to Provident Fund	**2.59**	4.00
Total	**120.00**	91.86

The above does not include gratuity and leave encashment benefits as the provision for these are determined for the Company as a whole and therefore separate amount for the directors are not available. No commission is paid to directors and hence computation of net profits under section 198 of the Companies Act is not applicable.

7. Auditors' Remuneration:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Audit fees	**8.00**	6.50
Tax Audit fees	**1.00**	0.50
Fees for Taxation matters	**0.45**	-
Total	**9.45**	7.00

8. During the year, Company has collected Rs. 23.16 Lakhs towards Equity Share Capital and Rs. 155.48 Lakhs towards Securities premium, against allotment of 2,31,599 Equity shares pursuant to exercise of options.

9. Securities in respect of Secured Loans:

i) Term loans from Banks / Institutions are secured by mortgage of certain immovable and movable properties of the Company and personal guarantees of certain Directors. Cash credit facility is secured by the hypothecation of book debts and stocks. Vehicle loans are secured by hypothecation of related motor vehicles.

ii) The company had issued 1,26,000, 9% Non Convertible Redeemable debentures of face value of Rs.100/- (date of allotment of Debentures: 28th February 2005 and date of creation of Debenture Trust Deed: 27th May 2005). The debentures are redeemable in three installments of Rs.42 Lakhs each at the end of the third, fourth and fifth year respectively from the date of allotment. The debentures are secured by a mortgage and second charge on the movable properties of the company, immovable property owned by the subsidiary company and Personal guarantees of certain Directors of the Company. During the year, the Company has redeemed Debentures amounting to Rs. 42 Lakhs (Rs.42 Lakhs). Outstanding Debentures amounting to Rs. 42 Lakhs (Rs.84 Lakhs) are due for redemption on or before 28th February, 2010.

10. The Deferred tax liability / asset as at 31st March 2009 comprises the following:

(Rs. In Lakhs)

Particulars	As at 31st March 2009	As at 31st March 2008
Deferred Tax Liability on account of:		
Depreciation	**550.53**	393.55
Deferred Tax Asset on account of:		
Deferrals/ Disallowances under Income-Tax Act, 1961	**(8.77)**	(10.21)
Net Deferred Tax Liability	**541.76**	383.34

11. Related Party Transactions:

As per Accounting Standard 18 on "Related Party Disclosures", disclosures of transactions with related parties as defined therein are given below:

List of related parties with whom transactions have taken place and Relationship:

a) Subsidiary Companies-Country of Incorporation

i. Glodyne Peoplepower Private Limited (formerly Intercon Management Services Private Limited), India

ii. Smaarftech Technologies Private Limited, India

iii. Glodyne Technoserve Inc.-USA

iv. Glodyne Technoserve Singapore Pte Limited – Singapore

v. Glodyne Technoserve (East) Inc.-USA (Subsidiary of Glodyne Technoserve Inc.-USA)

vi. Front Office Technologies Inc.-USA (Subsidiary of Glodyne Technoserve Inc.-USA)

b) Key Management Personnel ("KMP")

i. Mr. Annand Sarnaaik - Chairman & Managing Director

ii. Mrs. Divvyani A. Sarnaaik - Executive Director

c) Relatives of KMP

i. Mr. Nikhil Sarnaik-Brother of Mr. Annand Sarnaaik

ii. Dr. Archana Sangamnerkar-Sister of Mr. Annand Sarnaaik

iii. Dr. Nitin Sangamnerkar-Brother-in-law of Mr. Annand Sarnaaik

iv. Mr. N. G. Anil Kumar-Brother of Mrs. Divvyani A. Sarnaaik

v. Mr. N. Lalith Kumar-Brother of Mrs. Divvyani A. Sarnaaik

Transactions with Related parties during the current financial year:

(Rs. In Lakhs)

Transactions with Related Parties	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel
Managerial Remuneration	N.A. (N.A.)	120.00 (91.86)	NIL (NIL)
Loans and Advances given during the year (Net)	3,235.59 (1,234.11)	NIL (NIL)	NIL (NIL)
Loans and Advances received during the year	85.00 (NIL)	NIL (NIL)	NIL (NIL)
Investments in Subsidiaries during the year	2,789.23 (44.12)	N.A. (N.A.)	N.A. (N.A.)
Total Investments in Subsidiaries as on Balance sheet date	3,628.55 (839.32)	N.A. (N.A.)	N.A. (N.A.)
Sales	2,950.68 (3,071.57)	NIL (NIL)	NIL (NIL)
Interest received on Loans	135.83 (74.94)	NIL (NIL)	NIL (NIL)
Interest paid on Loans	1.28 (NIL)	NIL (NIL)	NIL (NIL)
Rent paid	1.08 (1.08)	NIL (NIL)	NIL (NIL)

(Rs. In Lakhs)

Transactions with Related Parties	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel
Dividend paid	N.A. (N.A.)	84.72 (70.60)	3.95 (3.29)
Guarantees given by the Company In respect of the loans taken by a Subsidiary Company	3,548.73 (1,698.73)	NIL (NIL)	NIL (NIL)
Balance Receivable / Payable	6,999.66 (2,442.51)	NIL (NIL)	NIL (NIL)

Note: Previous year's comparatives have been shown in Brackets below current financial year's figures.

12. Sundry Debtors and Loans and Advances are unsecured but considered good, for which the company holds no security other than personal security of respective parties.

13. In the opinion of the Board, Current assets, loans and advances are realizable at a value, which is at least equal to the amount at which these are stated in the ordinary course of business and provision made for all known and determined liabilities are adequate and not in excess of the amount stated.

14. During the financial year as the Company has not entered into Derivative transactions and hence the disclosures regarding the same have not been made.

15. The following disclosures are made for the amounts due to the Micro and Small Enterprises:

(Rs. In Lakhs)

Particulars	2008-2009	2007-2008
(a) Principal amount and the interest due thereon remaining unpaid to suppliers		
(i) Principal	**0.08**	NIL
(ii) Interest due thereon	**NIL**	NIL
(b) (i) The Delayed payments of principal amount paid beyond the appointed date during the entire accounting year	**NIL**	NIL
(ii) Interest actually paid under section 16 of the Micro,Small and Medium Enterprises Development Act, 2006	**NIL**	NIL
(c) (i) Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	**NIL**	NIL
(ii) Normal Interest payable for the period of delay in making payment as per the agreed terms	**NIL**	NIL
(d) (i) Total Interest accrued during the year	**NIL**	NIL
(ii) Total Interest accrued during the year and remaining unpaid	**NIL**	NIL

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

16. During the financial year, Company has recognised following amounts in the financial statements:

a) Defined Contribution Plan:

Contributions to Defined Contribution plan, recognised as expense for the financial year are as under:

(Rs. In Lakhs)

Particulars	2008-2009	2007-08
Company's Contribution to Provident Fund	**22.07**	12.81
Company's Contribution to Employees State Insurance Fund	**2.22**	3.35

b) **Defined Benefit Plan:**

Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Defined Benefit Obligation at the beginning of the financial year	**11.64**	4.55
Current Service Cost	**3.91**	1.57
Interest Cost	**1.24**	0.49
Actuarial (gain) / loss	**(1.59)**	5.04
Benefits Paid	**NIL**	NIL
Defined Benefit Obligation at the year end	**15.21**	11.64

(c) **Expense recognised during the financial year under the head "Staff Cost"-Refer Schedule-J)**

(Rs. In Lakhs)

Particulars	2008-09	2007-08
Current Service Cost	**3.91**	1.57
Interest Cost	**1.24**	0.49
Expected Return on Plan assets	**N.A.**	N.A.
Actuarial (gain) / loss	**(1.59)**	5.04
Expense recognised in the Profit and Loss Account	**3.56**	7.10

(d) **Actuarial Assumptions:**

Particulars in respect ofGratuity (non-funded)	2008-09	2007-08
Discount Rate (per annum)	**7.75%**	8.00%
Expected Rate of Return on Plan assets (per annum)	**N.A.**	N.A.
Salary Escalation (per annum)	**5.00%**	5.00%

The above information is as certified by the Actuary.

17. Earning per share (EPS)

(Rs. In Lakhs)

Particulars	Units	Year ended 31.03.09	Year ended 31.03.08
Net profits attributable to shareholders **(A)**	Rs. in Lakhs	**7,374.92**	3,365.46
Add: Amortisation of Employee Compensation Cost (as per Intrinsic value method) recognised in the Accounts	Rs. in Lakhs	**NIL**	NIL
Less: Amortisation of Employee Compensation Cost (as per Fair value method) not recognised in the Accounts	Rs. in Lakhs	**(174.41)**	(120.93)
Net profits as adjusted above **(B)**	Rs. in Lakhs	**7,200.50**	3,244.52
Weighted average number of equity shares outstanding during the year (before adjusting the Dilutive potential equity shares) **(C)**	Nos.	**1,10,35,948**	1,08,77,624
Number of Stock Options Outstanding as on the balance sheet date	Nos.	**4,71,893**	6,53,982
Number of Dilutive potential equity shares **(D)**	Nos.	**4,71,893**	6,53,982
Total number of Equity shares for Diluted EPS [**(C)+(D)**]=**(E)**	Nos.	**1,15,07,841**	1,15,31,606
Nominal Value of Equity Shares	Rs.	**10/-**	10/-
Basic EPS as reported [(A)/(C)]	Rs.	**66.83**	30.94
Basic EPS as adjusted [(B)/(C)]	Rs.	**65.25**	29.83
Diluted EPS as reported [(A)/(E)]	Rs.	**64.09**	29.18
Diluted EPS (as adjusted) [(B)/(E)]	Rs.	**62.57**	28.14

18. Segment information:

As per Accounting Standard 17 on "Segment Reporting", the Company has reported segment information on consolidated basis including business conducted through its subsidiaries.

19. Disclosures as required under Clause 32 of the listing agreement relating to loans and advances in the nature of loans to subsidiaries:

Name of the Company	Outstanding balance as on March 31, 2009 (Rs. in Lakhs)	Maximum outstanding during the year (Rs. in Lakhs)
Glodyne Technoserve Inc. (Refer note below)	**232.35**	2,087.97
Glodyne Technoserve Singapore Pte. Limited	**2.93**	2.93
Glodyne Peoplepower Private Limited	**431.25**	1,552.06
Smaarftech Technologies Private Limited	**3,864.41**	3,864.41

Note: Glodyne Technoserve Inc. has made the following investments in its subsidiaries:

	No .of shares
(a) Glodyne Technoserve (East) Inc.-U.S.A.	5,000
(b) Front Office Technologies Inc.-U.S.A.	200

20. The Company has not exercised the option available under Notification No. G.S.R. 225(E) dated March 31, 2009 issued by the Ministry of Corporate Affairs, optionally providing for a modification in the accounting of certain foreign currency items pursuant to AS-11 notified under section 211 (3C) of the Companies Act, 1956. Accordingly, the treatment in that respect continues to be in conformity with AS-11.

21. Information with regard to Purchases, Sales, Opening and Closing Stocks of Computer Equipments, Peripherals, Traded Software etc. in respect of Technology Infrastructure Management Services of the Company:

(Rs. In Lakhs)

Particulars	Unit	2008-09		2007-08	
Opening Stock	Nos.	**130**	**268.62**	210	166.40
Purchases	Nos.	**9,390**	**8,644.04**	7,650	5,459.26
Sales	Nos.	**9,407**	**9,875.73**	7,730	5,819.57
Closing Stock	Nos.	**113**	**572.26**	130	268.62

22. Contingent Liabilities and commitments not provided for:

(Rs. In Lakhs)

	As at 31.03.09	As at 31.03.08
a. Unexpired Letters of Credit	**95.53**	86.88
b. Guarantees issued by bankers against company's counter guarantee.	**243.23**	86.27
c. Capital Commitments in respect of Capital-work-in-progress (net of advances paid)	**150.00**	90.00
d. Guarantees given by the company in respect of the loans taken by a Subsidiary company	**3,548.73**	1,698.73
Total	**4,037.49**	1,961.88

23. The Previous year's figures have been regrouped, reclassified and recast wherever required. Figures in bracket indicate previous year's figures.

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

Nilesh M. Kapadia
Partner
Membership No.33697

Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Balance Sheet Abstract and Company's General Business Profile

(Amt.In Lakhs)

Disclouser as Required Vide Part IV of Schedule VI of the Companies Act 1956

I. Registration Details

Registration No.	112281	State Code	11
Balance Sheet Date	31/03/2009		

II. Capital Raised During the year

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of funds

Total Liabilities	21,646.17	Total Assets	21,646.17
Sources of Funds			
Paid-up Capital	1,110.92	Reserves & Surplus	13,336.18
Secured Loan	6,657.31	Unsecured Loan	Nil
Deffered Tax Liability	541.76		
Application of Funds			
Net Fixed Assets	3,524.83	Investment	3,628.55
Net Current Assets	14,492.79		
Misc.Expenses	-		
Accumulated Losses	Nil		

IV. Performance of Company

Turnover	46,058.32	Total Expenditure	37,897.71
Profit/Loss Before Tax	9,179.40	Profit/Loss after Tax	7,374.92
Earning Per Share in Rs.	66.83	Dividend Rate	42%

V. Generic Name of Princiapal Products/Services of Company

Item Code No.(ITC Code)

Product Description Information Technology

As per our report of even date

For **Nilesh M. Kapadia & Co.**
Chartered Accountants

Nilesh M. Kapadia
Partner
Membership No.33697

Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board

Annand Sarnaaik
Chairman &
Managing Director

Ved Prakash Arya
Director

Avtar Saini
Director

Divvyani A. Sarnaaik
Executive Director

Dhiren B. Kothary
Director

Y.Krishnamurthy
Director

Amit Jaste
Company Secretary

Place : Mumbai
Date : 30th June, 2009

Glodyne

Statement regarding subsidiary companies pursuant to Section 212 of the Companies Act, 1956

Rs. In Lakhs

Particulars	Smaarftech Technologies Private Limited	Intercon Management Services Private Limited	Glodyne Technoserve Inc.	Glodyne Technoserve East Inc.	Front Office Technologies Inc.	Glodyne Technoserve Singapore Pte. Ltd.
The Company's interest in the subsidiary as on March 31, 2009:						
1) No. of Shares (Equity)	45,97,600	25,20,000	3012	5000	200	10
2) Face Value	Rs. 10/-	Rs. 10/- (Rs.100)	USD 0.001	-	-	SGD 1
3) Extent of Holding	99.95	60.00	100%	100%	100%	100%
Net Aggregate Profit/(Loss) of the subsidiary Company so far as it concerns the members of the Company for the financial year ended 31.3.2009:						
1) Not dealt with in the books of accounts of the Holding Company	-	9.69	174.45	132.98	107.71	-
2) Dealt with in the books of accounts of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil
Net Aggregate Profit /(Loss) of the subsidiary Company so far as it concerns the members of the Company for the previous financial years since it became the subsidiary:						
1) Not dealt with in the books of accounts of the Holding Company	-.	30.09	365.45	963.79	239.16	Nil
2) Dealt with in the books of accounts of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil

For and On Behalf of the Board

Sd/-

Annand Sarnaaik
Chairman & Managing Director

Place : Mumbai
Date : June 30, 2009

Notes

Corporate Information

Board Of Directors

Mr. Annand Sarnaaik	Chairman & Managing Director
Mrs. Divvyani A. Sarnaaik	Executive Director
Mr. Ved Prakash Arya	Director
Mr. Dhiren B. Kothary	Director
Mr. Avtar Saini	Director
Mr. Y. Krishanamurthy	Director

Company Secretary

Mr. Amit Jaste

Auditors

Nilesh M. Kapadia & Co.,
Chartered Accountants
Mumbai

Corporate Office

C-03, Ground Floor, Fortune 2000,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Tel :022 - 66963333
Fax:022 - 66963344

Support Center

53/2476, Radheshyam Building,
Opp. MIG Club, Gandhi Nagar,
Bandra (East), Mumbai - 400 051.

Tech Center

A3 - 215, Sector 1, Millennium Business Park,
Mahape, Navi Mumbai - 400709.

Bankers

HDFC Bank
HSBC Bank
ABN AMRO Bank NV.
Standard Chartered Bank

Registered Office

Mumbai
801, Balarama Building, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

Branch Offices

Pune
1091/2, First Floor Datta Niwas, Deep Bungalow
Chowk Model Colony, Pune - 411 016.

Bangalore
207 & 208 - Raheja Chambers, Museum Road,
Bangalore - 560001.

Delhi
15th Floor, Atma Ram House No.1, Tolstoy Marg,
New Delhi-110001.

Subsidiaries

Glodyne Technoserve Inc.
2700, Augustine Drive, Suite 190,
Santa Clara, California 95054.

Smaarftech Technologies Pvt. Limited
Plot 538, A G Palace, East Boring Canal
Road, Patna - 800001.

Innovative Insights

Glodyne Technoserve Limited

C-03, Ground Floor, Fortune 2000,
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Website : www.glodynetechnoserve.in

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