



Glodyne

Impacting Lives



Annual Report 2009-10



Technology Managed Services Impacting lives



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Letter to Shareholders



Dear fellow shareholders,

I am happy to present to you the performance of your company for the financial year 2009 - 2010. Glodyne continues to demonstrate strong performance year on year. Enhancement in the strategic direction, business development re-engineering and implementation of innovative services enabled us to achieve our goals for the year. We have considerably expanded and strategically strengthened our business activities in offering our technology infrastructure management services (technology IMS).

The year saw some recovery world over from the recessionary trends which we experienced over the last two years. However India continues to witness strong momentum, with a GDP growth of 7.2% for the year 2010. Over the years the Indian economy has become remarkably resilient to both external and domestic issues, and is now viewed as geography of opportunities by the IT services sector. While most of the IT companies have initiated the India focus now, Glodyne has always been focused on servicing Indian customers since its inception and has over the years gained rich experience and unmatched expertise in providing transformational technology IMS services. We have built innovative and unique business models to provide path breaking array of technology IMS services on cloud computing and managed services model across key sectors like banking and finance, education and e- governance in India.

For the financial year 2009-10, the company has registered revenues of Rs 749.27 cr on a consolidated basis, a growth of 49.54% over FY 2008- 09. EBITDA grew by 63% over FY 2008- 09 to Rs.171.03 crore. Net profit for FY 2009- 10, was Rs 100 crore, up 28.53% over FY 2008-09. The basic EPS for the year is at Rs 40.94 against Rs 34.98 last year. Glodyne and its subsidiaries have added 33 new clients in the financial year and have achieved path breaking success in delivering services. Our EBITDA margin for the year was at 22.83%. Yet again, Glodyne has demonstrated tremendous growth in all business parameters, creating tremendous value for all our stakeholders.

The last year was an exciting one for Glodyne, being full of driving strategic initiatives, building resources, striving to achieve operational excellence, delivering best services to our clients and creating a business model based on outcome. Now, we have entered in the most exciting phase of Glodyne's growth, led by our go - to - market strategies, innovative managed services models, strong and differentiated domestic IMS services offerings, and expansion of our services into North America – the largest IMS market in the world.

Letter to Shareholders

Your company is setting new benchmarks in the domestic market in the areas of financial inclusion, education services and e-governance. Our innovative IMS services models in these sectors are based on managed services and public or private cloud services combination which is expected to bring about a positive impact to millions of lives. The company has been working on models like public private partnership (PPP), BOO, and BOOT in implementing large IMS projects in India.

We have been implementing the largest rural financial inclusion project in the Country which will ensure that the benefits of banking reach the masses. Our financial inclusion services will also ensure that the benefits of the social schemes that are run by various institutions reach the beneficiaries. The 'e-shakti' project which was started by Glodyne in the year 2009 in the State of Bihar has been running smoothly, and has been well appreciated by many experts and government departments including the UIDAI. In the year we initiated the first MNREGS call centre in Patna which services the various queries and updates the government department on the grievances which can be tracked by the beneficiaries. All of this put together in the long run will ensure 'Inclusive Growth' and will positively impact the people of the Country.

We serve an industry that is still growing and evolving. We anticipate more accommodating market conditions in future. We see long term emergence of ubiquitous need for IMS services and managed services Model. We aim to make Glodyne more valuable by:

- Evolving and expanding our business
- Implementing technology led transformational programs
- Ensuring good governance and responsible citizenship

Mergers and acquisitions is one of the strategic tools Glodyne used to achieve the above. Our M&A strategy are focused on addition of marquee clients, highly skilled people, and an opportunity to enhance the Glodyne service experience for our customers. During the year, Glodyne entered into two mergers agreements – Broadllyne Technologies Limited and Compulink Systems Limited. These mergers add to our delivery capabilities in the education managed services and project management space. In view of the mergers, we have added strong IPRs and processes which will enable us to move up the value chain in the education and IMS projects space.

Glodyne has been focused on a building a competent and passionate team which is aligned with the Company's objectives. We continue to strengthen our leadership team and enhance the skills of our people so that they can serve the customers, company and society better. Our people connect initiatives and talent management programs have historically made us achieve lower than industry attrition rate.

The Indian economy is growing, and with Glodyne's strong focus in areas of financial inclusion, e- governance, and education services we have built our drivers of growth in the geography. Our share of worldwide IMS market is low and there is huge upside opportunity, with strategic expansion we are confident of enhancing our global footprints and delivery capabilities. Glodyne's success till date has been attributed to its unique business model, sharp organizational focus and the strength of its human assets. Our customers are more interested in better service, innovative solutions than any time before and we are better positioned to provide these than many of our competitors.

On balance, our historical strengths, innovative business model, and a much greater degree of services and market integration, position us very well to capitalize on the opportunities, increase our market leadership and deliver more value to our shareholders over the coming years. I remain confident of sustainable growth in the coming financial year and thank you all for your support and confidence in Glodyne's management.



Annand Sarnaik
Chairman and Managing Director



Mr. Alok Sharma
Director

Mr. RSP Sinha
Director

Divyani A. Sarnaik
Executive Director

Board@Glodyne



Annand Sarnaik
Chairman and Managing
Director

Krishnamurthy Yemmanur
Director

Dhiren B. Kothary
Director

Performing Consistently



Snapshot of last 5 Years

Consolidated Balance Sheet Summary

₹ In Lakhs

Particular	FY 09 - 10	FY 08 - 09	FY 07 - 08	FY 06 - 07	FY 05 - 06
Sources of Funds					
Equity Share Capital	2,251.33	1,110.92	1,087.76	1,087.76	1,087.76
Share Suspense Account	277.96	-	-	-	-
Securities Premium Suspense Account	2401.33	-	-	-	-
Share Application Money (Pending Allotment)	-	-	89.12	-	-
Reserves and Surplus	24,592.54	15,008.38	7,561.51	3,735.64	1,882.99
Total Shareholders' Funds	29,523.16	16,119.30	8,738.39	4,823.40	2,970.75
Loans	9,769.28	8,806.83	3,386.90	1,114.98	615.82
Deferred Tax Liability	1116.97	548.27	402.84	228.60	139.37
Minority Interest	208.90	173.01	93.31	0.29	0.23
Total Liabilities	11,095.15	9,528.11	3,883.05	1,343.87	755.42
Application of Funds					
Gross Block	17,455.91	7,113.89	4,157.85	2,082.20	1,106.87
Less: Depreciation	4,925.36	2,147.22	1,074.48	464.91	212.50
Net Block	12,530.55	4,966.67	3,083.37	1,617.29	894.37
Capital Work in Progress	2,355.72	5,500.35	206.20	76.20	207.73
Intangible Assets Pending Capitalization	809.79	-	-	-	-
Total Fixed Assets	15,696.06	10,467.02	3,289.57	1,693.49	1,102.10
Goodwill	3,367.34	3,367.34	3,367.34	2,204.86	138.07
Investments	3.63	0.01	0.01	0.01	0.01
Gross Current Assets	29,588.21	18,163.72	7,342.67	5,578.75	2,981.49
Less: Current Liabilities & Provisions	8,036.93	6,350.68	1,378.15	3,309.84	495.50
Net Current Assets	21,551.28	11,813.04	5,964.52	2,268.91	2,485.99
Net Worth	29,523.16	16,119.30	8,738.39	4,823.40	2,970.75

Consolidated Profit & Loss Summary

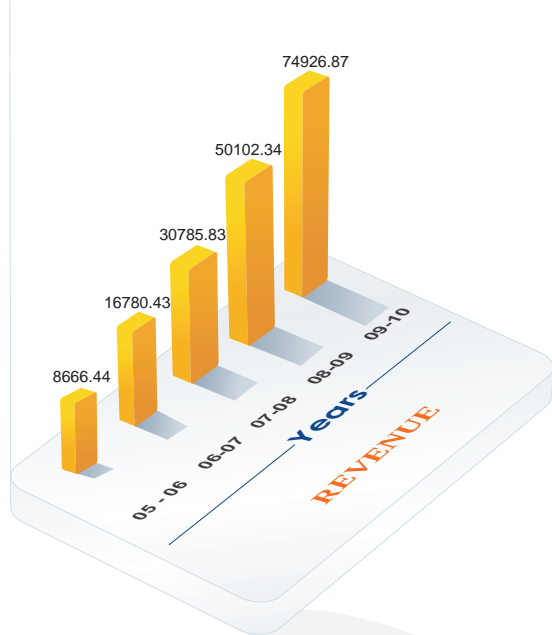
₹ In Lakhs

Particular	FY 09 - 10	FY 08 - 09	FY 07 - 08	FY 06 - 07	FY 05 - 06
Revenue from Operations	74,926.87	50,102.34	30,785.83	16,780.43	8,666.44
Other Income	(632.60)	1,005.79	5.35	29.54	89.98
Total Income	74,294.27	51,108.13	30,791.18	16,809.97	8,756.42
Employee Costs	8230.12	5,960.27	3,525.69	1,737.92	361.08
Operating & Administrative Expenses	49,589.72	33,641.88	21,627.41	12,438.08	7,296.77
Total Expenses	57,819.84	39,602.15	25,153.10	14,176.00	7,657.85
PBDIT	16,474.43	11,505.98	5,638.08	2,633.97	1,098.57
Interest & Finance Charges	1388.69	764.68	410.65	104.31	115.45
PBDT	15,085.74	10,741.30	5,227.43	2,529.66	983.12
Depreciation	2089.00	933.30	492.98	252.41	109.08
Profit Before Taxation	12996.74	9,808.00	4,734.45	2,277.25	874.04
Adjustment on account of Alignment in Accounting Policy	325.91	-	-	-	-
Taxation	3,286.71	2,023.28	673.25	268.70	128.41
Profit/(Loss)After Taxation	10,035.94	7,784.72	4,061.20	2,008.55	745.63
Minority Interest	35.89	4.75	0.02	0.06	0.04
Profit/(Loss)After Minority Interest	10,000.05	7,779.97	4,061.18	2,008.49	745.59

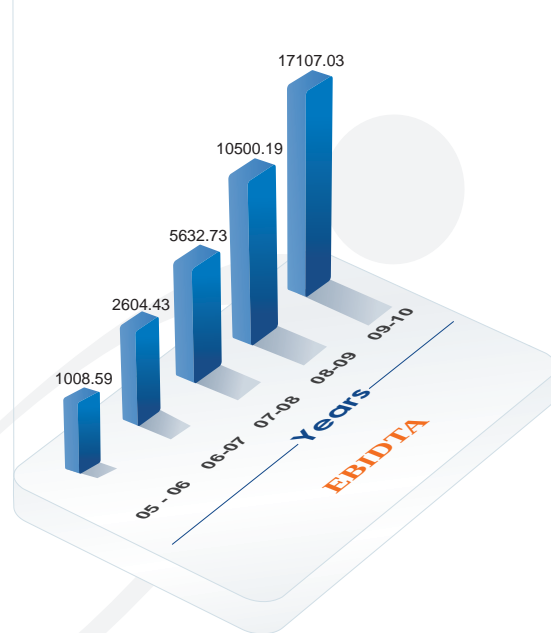
Earnings Per Share (EPS)*	40.94	34.98	18.53	9.17	3.40
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* EPS Restated for issue of Bonus Shares

Revenue ₹ In Lakhs



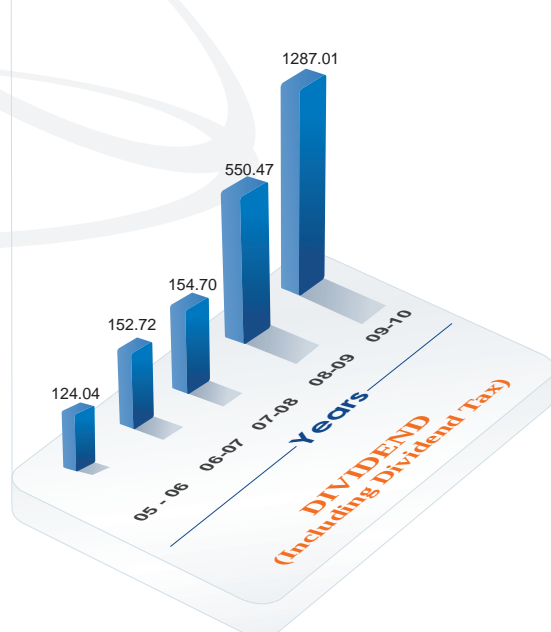
EBIDTA ₹ In Lakhs



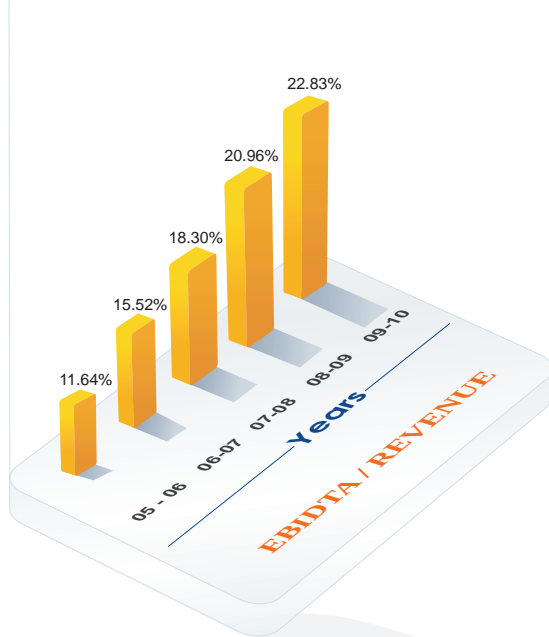
PAT ₹ In Lakhs



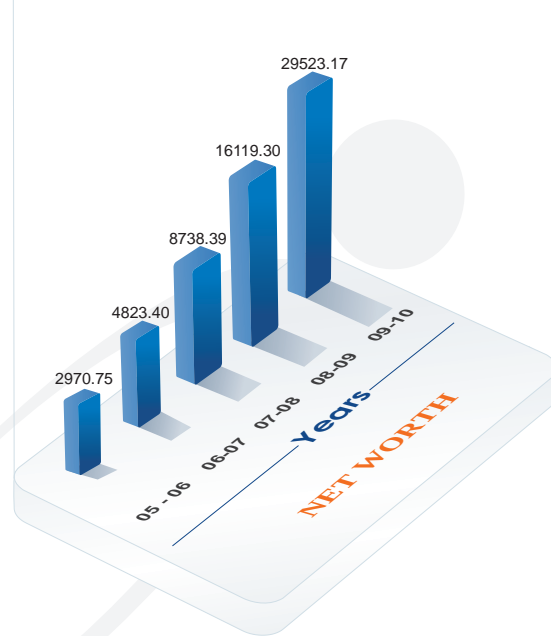
Dividend ₹ In Lakhs



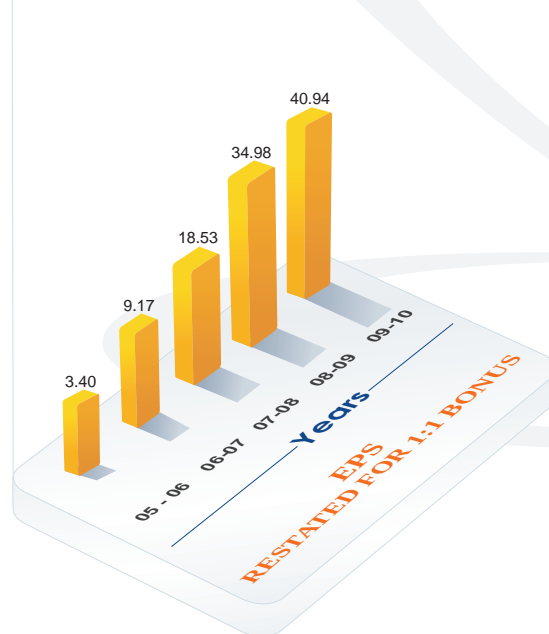
EBIDTA / Revenue In %



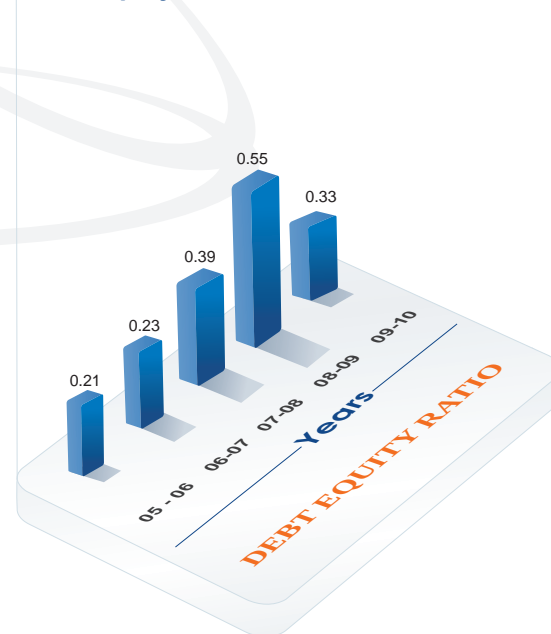
Net Worth ₹ In Lakhs



EPS In ₹



Debt Equity Ratio



CEO Dialogue



1. What are your views about the performance of Glodyne in the last year?

The year's performance has been as per our expectations and we have been successful in bettering the guidance provided by us at the start of the year. The global industry has been experiencing a revival which is a positive development for all sectors. We have been not been exposed to the global turmoil in a major way and have managed to continue our overall growth and services expansion. The Company registered a revenue growth of 49.54% over the last financial year, while the EBITDA for the year stood at Rs 171.03 cr, a growth of 63% over last financial year.

2. What are the highlights for the year?

The year has been marked by cautious recovery from the major markets, and has also opened up opportunities for IT Companies that can provide services that can make our customers systems agile, more responsive and help them in enhancing their return on IT. In 2009-10, we had most of our revenues coming from the domestic market, which has been one of the fastest growing markets globally. We continued our focus on building unique value propositions for our clients in the sectors we operate in..

Glodyne initiated the transformational project in the state of Bihar called 'e-shakti on a Public Private Partnership (PPP) model. The project has today become a bench mark for technology led social scheme implementation in the Country. The multi-year project has been progressing well and this year we inaugurated the first of its kind 'e-shakti' call center which has become a direct connect for the MNREGS beneficiaries in the State.

In the year the Company also initiated the MNREGS scheme in the Gadchiroli District of Maharashtra.

Even before the global turmoil, we have been actively seeking strategic merger and acquisition options which will enable geographical expansion and quality client relationships addition. In the year we have been in the process of acquiring a large IMS Company having presence across North America. The acquisition of DecisionOne Corporation got completed on 30th June 2010.

In the year Glodyne won the Deloitte Technology Fast 50 India and Technology Fast 500 Asia Pacific Program. The Company was ranked 5th by Business Today in the Top Ten Profitable enterprises of the decade in India and 32nd in the Top 500 Companies by Business Standard. The Company was also a winner in the India Inc - Top Performing Companies.

3. What's changed in the industry since the slowdown?

The overall IT Services industry has been on a course of revival. Although the global demand is improving at a slow pace, the outlook for the domestic industry is getting better and is expected to soar at 15-17% during the next fiscal, buoyed by education, telecom, banking and e-governance sectors. We are finding customers are opening up to new ideas and offerings around cloud computing solutions, Software as a Service models, Remote IMS, etc which will enable IT Service providers to address new customer segments.



4. What are going to be Glodyne's growth drivers going forward, and which sectors will contribute for the growth?

We are in the most exciting times of our journey, and the next few years will define the success of the Company. Our IMS Services are impacting lives at the grass root level in India as well empowering the CIOs of large corporations; our services reach is across the spectrum. We have strengthened our offerings across the key sectors of Banking and Finance, Education, IT/ITES and E-Governance which are expected to fuel our India growth.

CEO Dialogue

The Company has been building solution accelerators in these sectors which will add predictable long term revenue. Apart from these sectors we have presence across Manufacturing, Retail, Media, Healthcare and Services sectors in India and US.

5.If you could elaborate on the work Glodyne is doing in the Banking and Finance, Education and E-Governance Sector?

There are opportunities to serve the bottom of the pyramid through innovative technology services. Glodyne has been building expertise and IPRs in the Financial Inclusion, Education and E-Governance Services sectors.

Financial Inclusion Services: In India about 100mn households do not have a bank account and out of the 600,000 habitations in the country, only about 30,000 have a commercial bank branch. There is need for Companies like Glodyne to implement technology led solutions to enable banking services are available to all the citizens. Glodyne identifies Financial Inclusion Services as a growth driver for itself for the coming years. We have been implementing the largest urban as well as rural financial inclusion initiatives in the Country and are set to acquire a leadership position in this space. With the public roll out of Financial Inclusion Services in Bihar, Glodyne becomes one of very few companies in the Country to provide services to millions of people.

Education Services: Glodyne has built innovative Managed Services offerings with a cloud based model to penetrate the rapidly growing Education sector with end to end offerings. The Company has gained expertise in the sector by the acquisition of Broadlyne Technologies Limited. Glodyne now provides interactive and comprehensive services based on Cloud that link and empower all stakeholders i.e. management, parents, teachers, students to interact with one another and automate the entire administrative process.

E-Governance Services – The expertise and technologies provided by Glodyne since its inception have been utilized towards implementation of many successful e-Governance services. We have been delivering these services through Public Private Partnership, BOOT, BOO based models. We have been delivering these solutions in a well orchestrated legal framework of private cloud and managed services offerings. MNREGS, PDS, Labour Management, Healthcare are few social schemes which have been identified by Glodyne as opportunity areas in the sector.



6.Are you planning to continue focus on the domestic market, or you want to expand your presence globally?

India has been and continues to be our key and high growth market. Over the years we have moved up the value chain of offerings in the geography from being a service provider to being a partner in delivering transformational IMS Services. Unlike other IT Companies we have positioned our self strongly in the Indian geography; however we have always been looking at expanding our footprints both organically and through strategic mergers and acquisitions. In June 2010, we have been able to conclude a successful acquisition of one of the largest Independent IMS services provider in North America, and we expect both India as well as North America to grow in the future. In the long run, we aspire to enter other key markets like Europe and Asia Pacific, once we have strengthened our position in India and North America.

7.What is Glodyne's M&A Strategy?

Our M&A strategy is clear, we don't acquire to just add to the top line revenue. While deciding on an acquisition, the management reviews the services, customer profiles and relationships, quality of management and opportunities to leverage on geographical Presence We have done smaller value deals like Broadlyne and Compulink and have also completed in the current year a large acquisition in the US. We believe in acquiring Companies large or medium, which will help us in transforming and achieving our

CEO Dialogue



8. What vision do you have for Glodyne?

Our vision is that in the next three years, Glodyne should be one of the Top Ten IT Companies in India.

9. With your kind of growth how do you manage and retain talent at Glodyne?

We have been one of the few Companies with a historical attrition rate which is better than the industry average. The reason being, we place a huge emphasis on to allow people within the Company to realize their potential and help them to build careers. We constantly identify young leaders in the making, train them so that they are able to contribute to the organization's objectives and build a fruitful career. 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 level of attrition that the Company has been able to maintain and the stability in its senior and middle management teams.

There are many people connect initiatives planned throughout the year which 'Celebrate the Glodyne Spirit'. 'Glofest' is our annual festival where we honour performance, felicitate the achievements and bond with the entire Glodyne family. The Company has initiated many innovative programs for its employees for eg. My Idea, Glodyne Care, Glodyne Connexions, etc.

10. What are the risks that you foresee for the Company?

The Company had identified the key risks and control process to mitigate the same. There are risks like forex, retention of key talent force, managing timelines of our projects, success of integration of the mergers and acquisitions are few of the risks that we face apart from geo-political risks. The Company had identified the key risks and control process to mitigate the same like hedging policies, training of Staff, Stock options for key performers, forming an integration committee, infusing ideas from external experts to achieve integration etc. The Company has been partnering with various clients for implementing large projects in the Country. To ensure that the organizational objectives are met while partnering with multiyear, multimillion projects, a pricing Committee has been formed which analyzes all the proposals and submissions. Similarly other committees and procedures have been built to ensure risk mitigation.

11. What do you feel are the differentiators of Glodyne?

We have evolved over the last few years from a service provider to a partner in delivering transformational services, our relationship with our customers has evolved and has moved up the value chain. Our differentiated IMS services based on Managed Services and Public/Private Cloud Services are unique and provide solutions which focus on the end benefits. Our differentiated services, our people, our technology capabilities, our client relationships and our internal processes and quality standards are our key differentiators.

12. What are your thoughts and your vision for Glodyne on Corporate Social Responsibility?

Apart from strategic business planning, this year we have initiated work on 'Glodyne Care Foundation', which will focus on areas like education and community upliftment. A core committee has been formed to define the vision and plan of the foundation and the areas in which it will contribute. From Glodyne's perspective, we shall transfer a certain percentage of our profits into the Foundation which will be monitored by an independent committee comprising of Glodyne as well as Non- Glodyne members. I expect Team Glodyne to volunteer with their heart and soul as contribution for the Foundation and giving back to society.

13. What message do you want to give to your shareholders?

Your Company is transforming into a force to reckon with in the domestic market and is now expanding its presence significantly in the international market. There are opportunities existing and your Company is determined to build on the same and create a strong niche in the Global IMS market. I would like to thank all the shareholders who are part of the Glodyne Story and wish for their continuous support.

Celebrating



Glodyne Spirit !!!

Celebrating the Glodyne Spirit

Glofest'10



Blood Donation Camp



Celebrating the Glodyne Spirit

Glodyne Cricket League



Glodyne Outbound Training / Glodyne Care / My Idea Felicitation



A blue-tinted photograph showing a close-up of a calculator on the left, a pen in the center, and a document with some text on the right. The text 'Statutory Reports' is overlaid in the upper right quadrant. The document text includes 'net sales', 'as a', 's and', and 'centage'.

Statutory Reports

net sales
as a
s and
centage

Directors' Report

To,

The Members of

Glodyne Technoserve Limited

Your Directors have pleasure in presenting the **Thirteenth Annual Report**, together with the Audited Accounts for the financial year ended **March 31, 2010**.

FINANCIAL RESULTS:

The Consolidated and Standalone financial performance of the Company, for the year ended March 31, 2010 is summarized below. Since the Appointed Date for the Arrangement & Amalgamation of Compulink Systems Limited (CSL) & Broadlyne Technologies Limited (BTL) with Glodyne Technoserve Limited is April 01, 2009, the assets and liabilities of CSL & BTL and its operating results have been incorporated in the Company's financials for the financial year 2009 - 2010.

(Rs. In Lakhs)

Particulars	Standalone	Consolidated	
	Year Ended March 31, 2010	Year Ended March 31, 2010	Year Ended March 31, 2009
Total Income	70,011.30	74,294.27	51,108.13
Profit / (Loss) Before Taxes	12,455.36	12,996.74	9,808.00
Less: Provision for Income Tax (net off short / (excess) provision for earlier years)	2,381.11	2,570.72	1,843.91
Less: Provision for deferred tax/ wealth Tax/fringe benefit tax	717.76	715.99	179.37
Profit / (Loss) After Taxes	9,682.40	10,035.94	7,784.72
Less: Transfer to Minority Interest	-	35.89	4.75
Profit for the year available for Appropriation	9,682.40	10,000.05	7,779.97
Less: Transfer to General Reserve	1,917.19	1,917.19	737.50
Less: Proposed Dividend @ 42 %	1,103.70	1,103.70	470.51
Less: Provision for Tax on Dividend	183.31	183.31	79.96
Add: Balance brought forward from previous year	11,404.75	13,015.67	6,523.67
Add: Transfer from Debenture Redemption Reserve	42.00	42.00	-
Less: Utilized for bonus issue of shares	118.73	118.73	-
Balance carried to Balance Sheet	17,806.22	19,734.79	13,015.67

DIVIDEND:

The Company continued its impressive performance during the year under review, with expansion of its top line and bottom line. In accordance with Company's policy for dividend payout as well as considering the healthy mix of reward to the shareholders and the need for augmenting resources for Company's expansion plans through internal accruals, your Directors recommend for your approval, a dividend @ 42% i.e. Rs. 4.2 per equity share of Rs. 10/- each (Previous year Rs. 4.20). Considering the bonus issue given by the Company in the last year, the Company has effectively doubled its dividend this year. The dividend amount will absorb a total Rs. 1287.01 Lakhs, including corporate tax on dividend.

OPERATIONS:

The year under review was a transformational year of the Company. Your Company recorded a growth of 49.54% over the previous years consolidated revenues. The Company earned a total income of Rs. 74,294.27 Lakhs as compared to last years Rs. 51,108.13 Lakhs. The Earnings Before Interest, Tax, Depreciation and Adjustments

Directors' Report

(EBITDA) stood at Rs. 17,107.03 Lakhs as compared to last years Rs. 10,500.19 Lakhs, recording a growth of 43.18 %. The Company's profit after tax stood at Rs. 10,000.05 Lakhs as compared to previous year's Rs. 7,779.97 Lakhs, recording a growth of 28.53 %

PROJECT INITIATIVES:

In line with the Company's strategy to grow its business in some of the social benefits led technology projects, the Company has, during the year, started working on implementing Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) Technology implementation in pilot District of the State of Maharashtra. The project shall envisage implementation of 'e-disha' – MNREGS Solution offered by Glodyne, containing a host of service features.

The Company has been implementing the 'e-shakti' – MNREGA project in Bihar through its subsidiary and during the year, did significant progress on the Project.

Glodyne has taken initiatives in working on and implementing large scale technology led social projects in the areas of MNREGS, Financial Inclusion, Labour Management System, etc.

AMALGAMATION OF COMPULINK SYSTEMS LIMITED AND BROADLLYNE TECHNOLOGIES LIMITED WITH THE COMPANY:

The Company had during the year announced the Amalgamation of Compulink Systems Limited (Transferor Company/CSL) and Broadllyne Technologies Limited (Transferor Company/BTL).

Compulink Merger: The merger of Compulink Systems Limited with the Company has been approved by the Hon'ble High Court of Bombay vide its Order dated October 22, 2010. The merger has become effective from October 30, 2010, the Appointed Date of the Scheme is April 01, 2009.

Broadllyne Merger: The merger of Broadllyne Technologies Limited with the Company has been approved by the Hon'ble High Court of Bombay vide Order dated November 19, 2010. The Scheme has become effective from November 24, 2010, the Appointed Date of the Scheme being April 01, 2009.

The amalgamation follows the Company's philosophy of creating enduring value for all the Company's stakeholders. Merger between CSL and Glodyne Technoserve Limited (Glodyne) is a strategic initiative to add project management offerings to Glodyne's managed services portfolio. Combining Glodyne's expertise in Managed Services with CSL's strong project management deliverables will add up to delivery capabilities for Glodyne's large predictable business models and opportunities.

The merger of BTL and Glodyne is a strategic initiative which will enable the Company to derive benefits of expansion in the Education Services Sector, which is a sunrise sector and one of the focus areas of your Company. Glodyne's strategic and financial strength along with its strong presence in the Indian markets will enable the expansion of its services offerings in Education Sector.

FINANCE AND CAPITAL STRUCTURE:

a) Strategic Acquisitions / Mergers:

Continuing with the Company's strategy of growing and strengthening its leadership position in services business, your Company has merged two companies Compulink Systems Limited and Broadllyne Technologies Limited with itself. The mergers would provide expanded business offerings and strong IPRs to Glodyne. Subsequent to the financial year end, the Company also acquired DecisionOne Corporation, a North America based, large technology IMS Services Company.

b) Bonus Issue and Increase in Share Capital:

As per the approval granted by the members of the Company at the General Meeting of the Company held on August 12, 2009, the Authorised Share Capital of the Company was increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) to Rs. 37,00,00,000/- (Rupees Thirty Seven Crores), divided into 3,20,00,000 (Three Crore Twenty Lacs) Equity Shares of Rs. 10/- each and 50,00,000/- (Fifty Lacs) Preference Shares of Rs. 10/- each.

During the year, pursuant to Board of Directors' recommendation and shareholders' approval, the Company has allotted 1,12,02,640 equity shares of Rs. 10/- each as bonus shares. Further the Company issued and allotted 201,409 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 increased from the previous balance sheet date from 1,11,09,223 shares to 2,25,13,272 shares of Rs. 10/- each as of March 31, 2010.

Directors' Report

Consequent to mergers of Compulink Systems and Broadlyne Technologies with your Company, in accordance with the respective Scheme of Amalgamation, the Authorized Capital of both the Companies has been merged with the Authorized Capital of your Company. The Authorized Capital of your Company, subsequent to the amalgamation is Rs. 48,00,00,000 (Rupees Forty Eight Crores) divided into 4,80,00,000 equity shares of the face value of Rs. 10/- each and Preference Shares Capital of Rs. 5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 preference shares of Rs. 10/- each.

c) Debentures and Convertible Options:

Out of the 126,000 Non Convertible Redeemable Debentures of Rs. 100/- each issued to Wipro Limited & 42,000 Non Convertible Debentures outstanding at the beginning of the year, the Company has fully redeemed and cancelled its Non Convertible Redeemable Debentures of the nominal amount of Rs. 42,00,000/- (Rupees Forty Two Lakhs).

The Non Convertible Redeemable Debentures in accordance with the terms of Debenture Trust Deed stand fully redeemed and there is no amount outstanding as on Balance Sheet date i.e March 31, 2010

Further, pursuant to the Scheme of amalgamation, subsequent to the year end, the Company has been in the process of issuing Compulsorily Convertible Preference Shares, which will be converted into Equity Shares, in accordance with the Scheme of Amalgamation.

d) Fund Raising:

In view of growing business opportunities and Company's various growth plans, proposals are being placed before the members for their approval, authorizing to raise through issue in Indian/International market through FCCB/GDRs and like instruments and /or through QIP, in each case, up to a sum not exceeding US\$ 150 million. Further, it is also proposed to raise the power of the Board to borrow up to a sum not exceeding Rs.1500 Crores in various forms, a proposal for which also is being placed before the members for their approval at the ensuing AGM.

e) Sub-division of Shares:

With a view to make the Company's equity shares more affordable to general public and increase its liquidity on the bourses, your Directors have decided to sub-divide the equity shares of the Company from the present face value of Rs. 10/- each to Rs. 6/- each. Details for the same are available in the notice of the ensuing Annual General Meeting of the Company, in which approval of the members is sought vide special resolution.

DIRECTORS:

During the year Mr. Alok Sharma and Mr. R.S.P Sinha were appointed as Additional Directors on the Board of the Company. Both of them are independent directors.

In terms of Section 260 of the Companies Act, 1956, they shall hold the office upto the date of the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing their candidature for the office of Director liable to retire by rotation.

Mr. Shantanu Roj, who was appointed as an Additional Director on the Board, with effect from November 25, 2010 is proposed to be appointed as a Whole Time Director of the Company, w.e.f. December 24, 2010, subject to the shareholders' approval.

It is also proposed to obtain shareholders' approval for payment of remuneration to Mr. Annand Sarnaik and Mrs. Divyani A. Sarnaik, the Chairman and Managing Director and Executive Director respectively of the Company, for a balance period of two years of their term. Details of the same are given in the notice of the ensuing AGM.

Shareholders' attention is drawn to the relevant items appearing in the Notice of the ensuing Annual General Meeting and the explanatory statement, seeking their approval in this matter.

EMPLOYEES STOCK OPTION SCHEME:

In accordance with the Employee Stock Option Scheme 2006 of the Company, a total number of 1,44,982 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 forms part of this report. No employee was issued Stock Options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

Directors' Report

Pursuant to the Bonus issue of shares, the Company has extended the benefit of the Bonus issue to the holders of the Employee Stock Options under the Employee Stock Option Scheme 2006 of the Company by making necessary adjustments by way of increase of options and reduction of option price. The Company has obtained the In-principle approvals from the NSE & BSE for the increase in stock option pool by addition of 6,74,984 shares to be issued and allotted against exercise of stock options by the option holders pursuant to the Bonus Issue of the Company.

Glodyne has always recognized the importance of the employees for growth oriented companies and creation of wealth for them and has implemented its first Employee Stock Option Scheme. In order to capture the next level of growth and the employees who have joined at later stage or through mergers, and who are key to the business, it is proposed to implement a new scheme of employee stock option. The Board of directors has accordingly approved a new scheme of employee stock options, subject to the approval of the shareholders. Details for the same are available in the notice of the ensuing Annual General Meeting of the Company.

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.

CONSERVATION OF ENERGY, EFFORTS FOR EXPORT MARKET DEVELOPMENT, RESEARCH & DEVELOPMENT 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

The Company has been able to grow its exports during the year by providing services to clients overseas. The services are provided through a mix of onsite and offshore. The exports of the services thus provide the foreign exchange earnings for the Company. The recent acquisition of US Company is expected to further boost the foreign earnings of the Company.

Research & Development Activities

There is a constant endeavour at your Company to upgrade its products / services offerings. For such purposes, the Company invests and carries out the research and development activities. Some of the specific areas like process changes for service delivery, up gradation / customization of the products / solutions offered by the Company, version enhancements, security features are being carried out by the Company. Your company has developed its own applications and service capabilities to cater to large scale technology programs deployed in the social sectors / e - governance programs.

Foreign Exchange Earnings and Outgo / Technology Absorption

During the year under review, the Company has earned Rs. 1,1200.41 Lakhs in foreign currency (Previous year Rs. 8,709.32 Lakhs) and has spent Rs. 17.95 Lakhs (Previous year - Rs. 2.72 Lakhs). Details of the same are available vide note nos. B - 3 & 4 of the Notes in Schedule L forming part of the Audited Accounts, attached herewith.

The Company has not imported any foreign technology & hence the requisite particulars in this regard are Nil. The Company and its subsidiaries have imported certain equipments required for biometric data collection and the same has been deployed in the projects of the Company. The functioning of the equipments has been absorbed by the Company to deploy it successfully.

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 the Directors' Report. However, having regard to the provisions of Section 219 (i) (b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the shareholders of the Company and others entitled thereto. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.

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, 2010, 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, 2010 on a going concern basis.

SUBSIDIARY COMPANIES:

As on March 31, 2010, your Company's subsidiaries include Glodyne Technoserve Inc., Glodyne Technoserve East Inc., Front Office Technologies, Inc., Glodyne Technoserve Singapore Pte. Ltd., Glodyne Peoplepower Limited (formerly Glodyne Peoplepower Private Limited), and Smaarftech Technologies Private Limited.

In line with the mother branding strategy, the name of the Company's subsidiary was changed from Intercon Management Services Private Limited to Glodyne Peoplepower Private Limited. During the year, the subsidiary further was converted to a limited Company and thereby name of the company was changed to Glodyne Peoplepower Limited due to the conversion.

In view of the Compulink merger and the presence of a subsidiary of Compulink in Singapore, your Company has been in the process of desubsidising its holding in Glodyne Technoserve Singapore Pte Ltd through transfer of its 100% holding in equity. The Singapore Company did not have any operations.

Pursuant to the merger of Compulink Systems Limited, the subsidiaries of Compulink Systems Limited i.e. Compulink USA Inc, Compulink Europe Limited and Computer Software Pte Ltd have become subsidiaries of your company. The financials of the subsidiaries have been given separately in the Annual Report of the Company.

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. 47/628/2010-CL-III dated June 28, 2010 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. In compliance with the terms of the exemption, we have presented summary financial information for each subsidiary in the annual report

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.

Directors' Report

FIXED DEPOSITS:

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

AUDITORS:

The Present Statutory Auditors of the Company M/s. N 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 2010-11 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 hiring qualitative and skilled human resources at various functions. There are various programs and efforts, which are carried out for motivating the workforce and align them to the Company's objectives. The attrition rate of your company's employees' has been below the industry average. Your Company provides opportunities to the employees for growth in congruence with the Company's goals.

QUALITY INITIATIVES:

The Company being the Service industry follows norms and procedures of international standards. The Company has been certified with by International Organization for Standardization (ISO) with ISO 27001, the highest certification standard on information security. The Company is also a ISO 9001:2000 certified and CMMi level 3 compliant Company.

AWARDS & ACCOLADES:

Your Company was awarded with - Deloitte Technology Fast 50 India 2009 Program, and Deloitte Technology Fast 500 Asia Pacific 2009 Program an award which acknowledges and honors fast-growing technology companies in India. Glodyne was also awarded as one of the top performing mid sized company across sectors in India. Glodyne was also superanked 32 by Business Standard in December 2009. The Company was also ranked 5th in the Top ten profitable enterprises in the decade by Business Today.

ACKNOWLEDGEMENTS:

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

Your Directors 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 and value the contribution of each member of Glodyne family including the contribution of the employees at all levels in the growth of the organization.

For and on Behalf of the Board

Sd/-

Annand Sarnaik

Chairman & Managing Director

Place: Mumbai.

Date : November 25, 2010

Annexure I To The Directors' Report For The Year Ended March 31, 2010

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, 2010):

(a)	Options granted	1,44,982	
(b)	Pricing Formula	Price of shares on the Stock Exchange on the trading day preceding the date of grant	
(c)	Options vested	53,186	
(d)	Options Exercised	2,01,409 (93,417 options were exercised pre bonus issue and 53,996 were exercised post bonus issue – i.e. equal to 1,07,992 options – consequent to the bonus)	
(e)	The total number of shares arising as a result of exercise of option	2,01,409	
(f)	Options lapsed	Nil	
(g)	Variation of terms of options	N.A.	
(h)	Money realised by exercise of options	Rs. 278.19 Lakh	
(i)	Total number of options in force	3,87,873	
(j)	Employee-wise details of options granted to:		
	(i) Senior Managerial Persons	Name	Options Granted during the year ended March 31, 2010
		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	4 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. 37.87	
(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 method 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. 201.94 Lakhs, Profit after tax lower by Rs. 201.94 Lakhs, and the basic and diluted earnings per share would have been lower by Rs. 0.83 & Rs.0.81.	

Annexure I To The Directors' Report For The Year Ended March 31, 2010

(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.	Weighted average exercise price where exercise price is less than market price – Rs. 504.04 weighted average fair value where exercise price is less than market price – Rs. 288.73	
(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 01/07/2009 and 27/7/2009 have been calculated using Black-Scholes Options pricing Formula and the significant assumptions made in this regard are as follows:	
		01/07/2009	27/07/2009
	(i) risk-free interest rate,	5.01% -6.48%	4.56% - 6.65%
	(ii) expected life,	2.5 years – 5.5 years	2.5 years – 5.5 years
	(iii) expected volatility,	67.65% - 69.66%	67.47% -69.71%
	(iv) expected dividend yield, and	0.98%	0.98%
	(v) exercise price	Rs. 451.00 (Post Bonus Rs. 225.50)	534.35 (Post Bonus Rs. 290.73)
	(vi) stock price as on the date of grant	Rs. 473.20	Rs. 561.05

Report on Corporate Governance

1. 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.

2. 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.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. Annand Sarnaik and Mrs. Divvyani A. Sarnaik, who are related to each other as spouse.

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 2009-10 Attendance at		As on March 31, 2010		
		BM	LAST AGM	Directorships in other Companies#	Other Committee Position	
					Member	Chairman
Mr. Annand Sarnaik	Promoter & Executive Director	7	YES	6	-	-
Mrs. Divvyani A. Sarnaik	Promoter & Executive Director	7	YES	6	-	-
Mr. Dhiren B. Kothary	Independent & Non-Executive Director	6	YES	2	-	-
Mr. Y. Krishnamurthy	Independent & Non – Executive Director	4	YES	-	-	-
Mr. Alok Sharma**	Independent & Non-Executive Director	-	N.A.	-	-	-

Report on Corporate Governance

Name of Directors	Category	FY 2009-10 Attendance at		As on March 31, 2010		
		BM	LAST AGM	Directorships in other companies#	Other Committee Position	
					Member	Chairman
Mr. R.S.P. Sinha**	Independent & Non-Executive Director	-	N.A.	-	-	-
Mr. Avtar Saini*	Independent & Non – Executive Director	1	NO	N.A.	-	-
Mr. Ved Prakash Arya *	Independent & Non-Executive Director	1	NO	N.A.	-	-

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies. Includes directorships in Public Limited Companies only.

* up to August 24, 2009

** w.e.f. March 29, 2010

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

B) Non Executive Directors' Compensation and Disclosures:

The Non-Executive Directors are paid sitting fee at the rate of Rs. 6000/-, Rs. 3000 & Rs. 1000/- for attending each meeting of the Board, Audit Committee & Investor's Grievance Committee respectively.

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, 2010, NIL 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 2009 – 2010, Seven (07) 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 20, 2009; June 30 2009; July 16, 2009; July 29, 2009; August 24, 2009; October 28, 2009 & January 21, 2010

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

Report on Corporate Governance

Committee and Investor's Grievance Committee only are considered. The Board has vide circular resolution passed on March 29, 2010 appointed Mr. Alok Sharma and Mr. R. S. P. Sinha as Additional Directors on the Board of the Company.

3. 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.

Five (05) Audit Committee Meetings were held during 2009-10. The dates on which the said meetings were held were as follows:

April 20, 2009; June 30 2009; July 29, 2009; October 28, 2009 & January 21, 2010.

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 2009-10
Mr. Dhiren B. Kothary	Chairman (Independent)	05
Mr. Y. Krishnamurthy	Member (Independent)	04
Mr. Ved Prakash Arya*	Member (Independent)	01
Mr. Annand Sarnaik	Member (Non – Independent)	05

* upto August 24, 2009

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 Audit Report, if any.

Report on Corporate Governance

- 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 the F.Y. 2009-10.

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. 2009 -2010:

(Rs. in Lakhs)

Name	Salary includes Perquisites, Commission & Bonus	Sitting Fees	Total
Annand Sarnaik	67.63	-	67.63
Divvyani A. Sarnaik	55.48	-	55.48
Ved Prakash Arya	-	0.10	0.10
Dhiren B. Kothary	-	0.62	0.62
Y. Krishnamurthy	-	0.42	0.42
Avtar Saini	-	0.06	0.06

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 Sarnaik & Mrs. Divvyani A. Sarnaik 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.

Report on Corporate Governance

C. Shareholders/ Investor's 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 (04) meetings of the Investors' Grievance Committee were held during the year 2009- 10.

June 30 2009; July 29, 2009; October 28, 2009 & January 21, 2010.

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 2009-10
Mr. Ved Prakash Arya	Chairman (Independent)	01
Mr. Dhiren B. Kothary	Member (Independent)	04
Mrs. Divvyani A. Sarnaik	Member (Non- Independent)	04

The Company Secretary acts as a Secretary to Committee.

Shareholder/Investor Complaints

Complaints pending as on April 1, 2009	NIL
During the period April 1, 2009 to March 31, 2010, complaints identified and reported under Clause 41 of the Listing Agreements	29
Complaints disposed off /resolved during the year ended March 31, 2010	29
No. of complaints not resolved to the satisfaction of shareholders Complaints pending as on March 31, 2010	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 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 Options 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.

Report on Corporate Governance

F. Employee Stock Option Scheme Committee:

The Committee was formed as Employee Stock Option Scheme Committee (ESOS Committee), 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 granted / allotted stock options as follows:

Date of stock options granted / allotted during the f.y. 2009 -10	No. of stock options granted	No. of shares allotted pursuant to exercise of stock options
June 15, 2009	-	93,417
July 01, 2009	52,720	-
July 28, 2009	92,262	-
February 23, 2010	-	94,196
March 03, 2010	-	13,796
Total	1,44,982	2,01,409

Out of 2,01,409 shares, 2400 shares were allotted to the Independent Directors of the Company.

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

4. 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, 2010, 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.

5. 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.

6. 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 B-11 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.

Report on Corporate Governance

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.

7. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time	Special resolutions passed
2008 -2009	Ground Floor, Exchange Plaza (NSE Building), Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	24.08.2009	11.00 A.M	NIL
2007 -2008	Ground Floor, Exchange Plaza (NSE Building), Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	29.09.2008	11.00 A.M	<ol style="list-style-type: none"> 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.

Report on Corporate Governance

Financial Year	Location	Date	Time	Special resolutions passed
2006 -2007	MIG Club, Bandra (East), Mumbai – 400051.	24.09.2007	12.30P.M.	<ol style="list-style-type: none"> 1. Re -appointment of Mr. Annand Sarnaik 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. Sarnaik 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 consequent upon 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.

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. During the year 2009-10, two extra – ordinary general meetings of the Company were held on August 12, 2009 & February 15, 2010. The details of the same are given as follows:

Location	Date	Time	Special resolutions passed
Mumbai Cricket Association, RG-2, G- Block, at Bandra Kurla Complex, Bandra (E), Mumbai – 400051	12.08.2009	10.00 A.M	<ol style="list-style-type: none"> 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. Issue of Bonus Shares in the ratio of 1:1
Mumbai Cricket Association, RG-2, G- Block, at Bandra Kurla Complex, Bandra (E), Mumbai – 400051	15.02.2010	10.00 A.M	<ol style="list-style-type: none"> 1. Raising funds by way of placement shares and/or other permitted securities to Qualified Institutional Buyer through QIP placement. 2. Raising funds in domestic / international markets by way of Public/Private issue / offering of FCCBs or GDRs. 3. Approval for keeping the Register of Members and other Statutory Register at a place other than the Registered Office of the Company.

8. SHAREHOLDERS

According to the Articles of Association, one-third of the Directors retires by rotation and if eligible, seek's re-appointment at the Annual General Meeting of shareholders. As per Article 120 of the Articles of Association, Mr. Dhiren B. Kothary & Mr. Y. Krishnamurthy will retire at the ensuing 13th Annual General Meeting of the Company. Mr. Dhiren B. Kothary, being eligible, offers him-self for re-appointment as Directors at the ensuing Annual General Meeting. Mr. Y. Krishnamurthy however, due to other pre occupancies have expressed his inability to offer him self for re -appointment. Your directors put on record their appreciation towards the contribution made by Mr. Y. Krishnamurthy to the Company. The Board has recommended the re-appointment of the retiring Director.

During the year, Mr. R. S. P. Sinha & Mr. Alok Sharma were appointed as additional directors on the Board of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. R. S. P. Sinha & Mr. Alok Sharma hold the office of the Director upto the date of the A.G.M. The Company has received notices under section 257 of the Companies Act, 1956 from members, proposing the candidature of Mr. R. S. P. Sinha & Mr. Alok Sharma respectively for appointment as Directors liable to retire by rotation, at the ensuing Annual General Meeting. The detailed profile of both the Directors are provided in the Annual General Meeting Notice attached to the Annual Report.

A) Directors' shareholding as on March 31, 2010:

Name of Director	No. of Shares	% of total share capital
Executive Promoter Directors		
1. Annand Sarnaik	8835726	39.25
2. Divvyani A. Sarnaik	5284726	23.47
Non Executive Directors		
3. Dhiren B. Kothary	4800	0.02
4. Y. Krishnamurthy	4200	0.01
5. R. S. P. Sinha	0	0.00
6. Alok Sharma	3000	0.01
7. Avtar Saini #	0	0.00
8. Ved Prakash Arya #	0	0.00

Mr. Ved Prakash Arya & Mr. Avtar Saini retired by rotation w.e.f. August 24, 2009.

As on March 31, 2010, all the present Non Executive Directors hold 8,800 stock options put together, of the Company.

B) 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.glodyne.com. The financial results are published in one English and one Marathi daily newspaper, normally in Business Standard and Sakal / Lokmat respectively. 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. During the year, the Company has made presentations to Institutional Investors, analysts, etc and the same is available on the website of Company.

Report on Corporate Governance

C) General shareholder information

Date and time of Annual General Meeting	December 24, 2010. 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 third quarter ending December 31, 2010.	By end of January 2011
Financial results for the year ending March 31, 2011	By end of April 2011 if Un-audited and May 2011 if audited
General Meeting	
Annual General Meeting for the year ending March 31, 2011	July / August 2011
Date of Book closure for dividend	From December 23, 2010 to December 24, 2010
Dividend Payment Date	Dividend if declared will be paid on or after December 24, 2010 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 2010-11 has been duly paid to the stock exchanges pursuant to clause 38 of listing agreement in which the Company's shares are listed. Annual Custodian fees for the financial year 2010-11 have been paid to NSDL/CDSL.

9) 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, 2010, as given below.

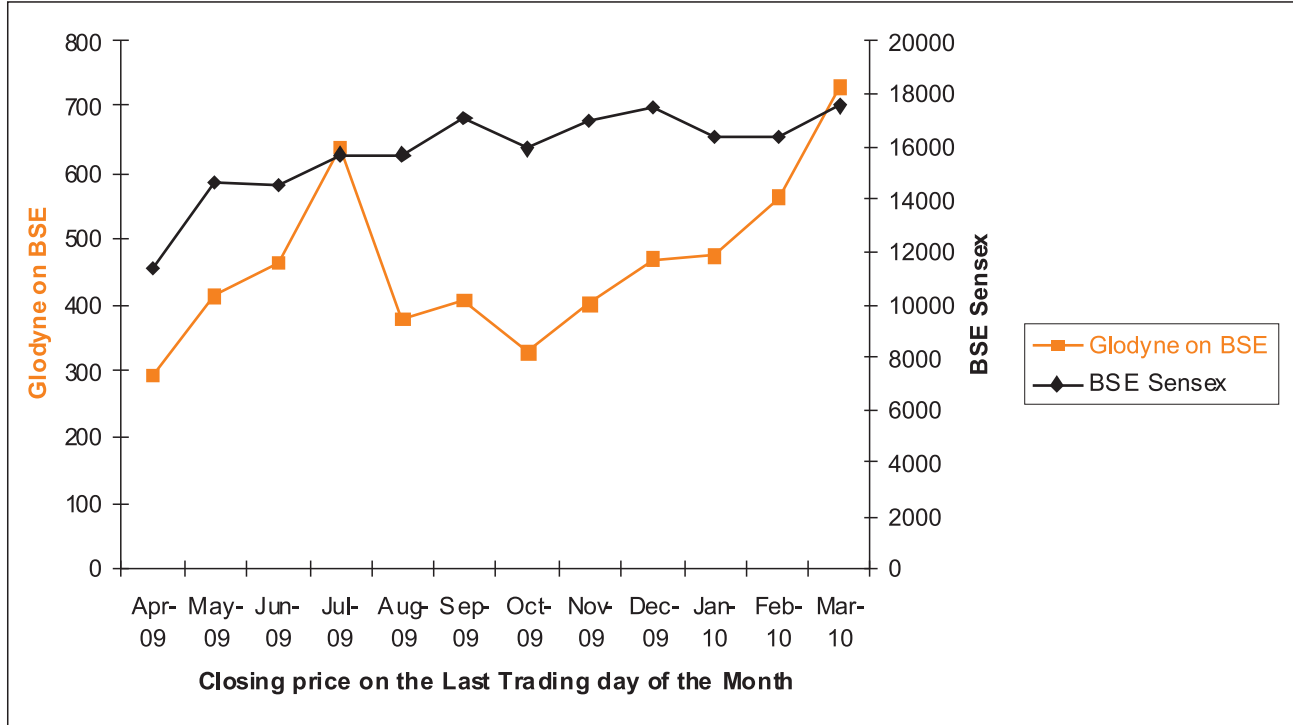
Month & Year	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2009	340.10	240.00	345.00	240.00
May 2009	300.00	300.00	447.20	297.50
June 2009	423.70	471.65	473.70	390.00
July 2009	487.85	657.80	658.00	440.10
August 2009	645.00	758.40	756.20	350.80
September 2009	380.00	435.60	438.00	355.65
October 2009	408.00	418.85	419.80	319.00
November 2009	330.00	407.00	409.90	290.50
December 2009	403.55	499.00	491.90	375.00
January 2010	478.40	580.00	580.00	441.10
February 2010	470.05	583.00	578.00	465.00
March 2010	565.00	754.15	841.20	560.00

Note: From August 20, 2009 onwards, pursuant to the bonus issue of shares in the ratio of 1:1, the price was proportionately reduced. The figures from August 2009 onwards reflect the post bonus price.

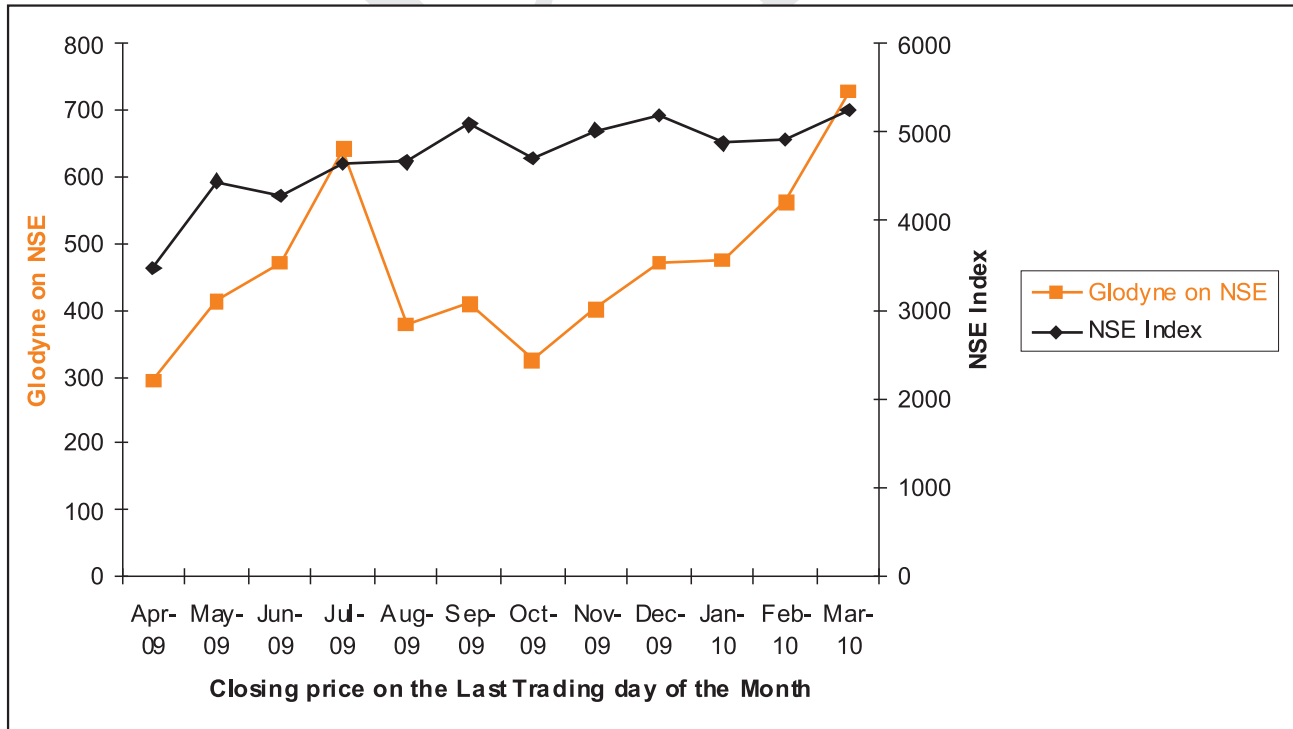
Report on Corporate Governance

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:



** Glodyne share price adjusted pursuant to Bonus issue in August 2009.

Report on Corporate Governance

10) 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 16 below.

11) 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.

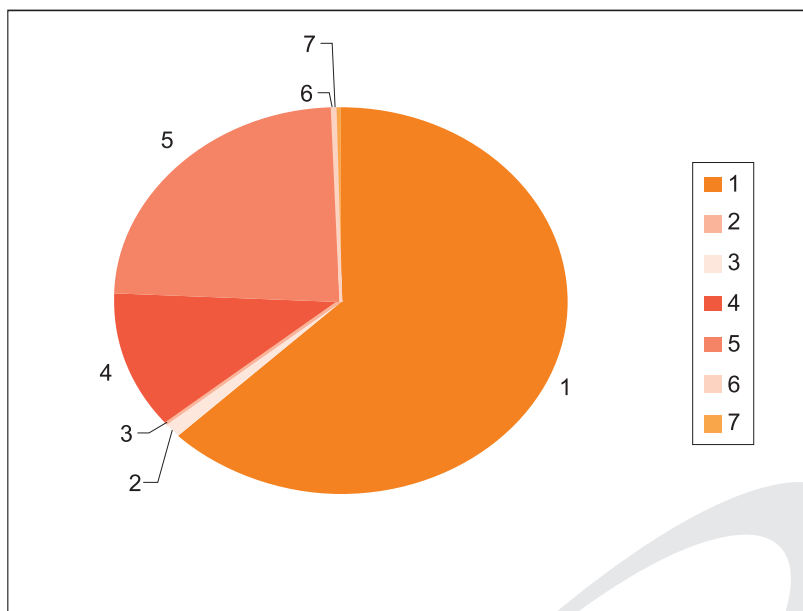
12) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010

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	6,011	87.02765	8352870	3.71
5001-10000	418	6.05183	3258700	1.45
10001 - 20000	187	2.70740	2861980	1.27
20001 - 30000	66	0.95555	1708390	0.76
30001 - 40000	44	0.63703	1588780	0.70
40001 - 50000	39	0.56464	1767740	0.79
50001 - 100000	54	0.78182	3951390	1.75
100001 - 99999999	88	1.27407	201642870	89.57
Total	6,907	100.00	225132720	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		
1	Indian Promoter Individuals	14120452	62.72
	Foreign	0	0
	Total Shareholding of Promoter and Promoter Group	14120452	62.72
(B)	Public shareholdings		
	Institutions		
2	Financial Institutions/ Banks	266800	1.19
3	Foreign Institutional Investors	14805	0.07
	Non-institutions		
4	Bodies Corporate	2588892	11.50
5	Individuals -	5407159	24.01
6	Any Other - Clearing members	26450	0.12
7	- NRI	88714	0.39
	Total Public Shareholding	8392820	37.27
	TOTAL (A)+(B)	22513272	100.00



13) Dematerialization of shares

Your Company's shares can only be traded in compulsory demat segment in the stock exchanges. As on March 31, 2010, 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, 2010 is as follows:

Category	No. of shares	% of total shares
Shares in Demat form	2,24,86,216	99.88
Shares in Physical form	27,056	0.12
Total	2,25,13,272	100.00

14) 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, 2010. 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.

15) 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, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.
- Overseas Subsidiary:** **Glodyne Technoserve Inc.,** 2700, Augustine Drive, Suite 190, Santa Clara, California 95054. U.S.A.

The Company has offices at various locations in india.

Report on Corporate Governance

16) 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.

Registered Office:
801, Balarama Bldg.,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051.

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

17) Compliance officer

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

18) 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 Sarnaik, 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, 2010.

For Glodyne Technoserve Limited

**Sd/-
Annand Sarnaik
Chairman & Managing Director**

Place : Mumbai

Date : November 25, 2010

Report on Corporate Governance

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, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with The Bombay Stock Exchange, 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, 2010.

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, 2010.

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

Date: November 25, 2010.

Membership No: 33697

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 Sarnaik, Mrs. Divvyani A. Sarnaik, M/s. Glodyne Ventures & Holding Pvt. Limited, M/s. Glodyne Global Pvt. Limited.

Management Discussion and Analysis

A. Industry Overview

In FY10, the Indian IT market saw a growth of about 12% registering US\$ 14.3 billion. The government IT spends for the year was quite significant at US\$ 3.5 billion. The overall outlook for the IT industry seems positive and according to NASSCOM the IT industry will reflect a growth of 13-14% in the financial year 2010 - 11. IT services export revenues grew by 5.5% touching almost the US\$ 50 billion mark.

Although the global demand is improving at a slow pace, the outlook for the domestic industry is getting better and is expected to soar at 15-17% during the next fiscal, buoyed by education, telecom, banking and e-governance sectors. There is more than US \$ 11 billion business opportunity in e- Governance space alone over next 3 years. (Source NASSCOM and Gartner)

IT Services spends by Geography:

Global IT Services Spend	2008 share in %	Growth in %	2009 share in %	Growth in %
Americas	41.6	5.3	42.1	1.3
Europe, Middle East and Africa	42.7	8.8	41.9	(2.1)
Asia Pacific	15.7	13.1	16.0	2.1
Global	100		100	

Source: IDC- NASSCOM Strategic Review 2010

Geography US\$ bn	2008	2013	% CAGR
Asia Pacific	147	166	2.5
Americas	316	380	3.8
Europe	170	189	2.1
India	6	11	14.5
Middle East & Africa	14	16	3.2
United Kingdom	77	88	2.3
Others	44	57	5.6
Total	774	907	3.2

Source: Gartner forecast, Oct 2009

From the above charts Asia Pacific and Americas have a positive growth track and continue to be geographies of opportunities. India is expected to have the highest growth rate and to become a major market for IT services.

Offshore IT spends forecast

Services in US\$ bn	2008	2013	CAGR in %
Application Development & Management	12.9	17.2	5.9
Infrastructure Management Services	8.6	12.9	8.6
IT Consulting	1.4	1.7	3.9
Others	8.1	10.1	4.5
Total	31.0	41.9	6.2

Source: IDC- NASSCOM Review 2010

From the above chart infrastructure management services is expected to have the highest CAGR growth rate, and as India is the preferred destination for IT outsourcing, it is expected to gain substantial market share in the IMS off shoring space.

Management Discussion and Analysis

In a snapshot the key trends for the year were:

- The core markets i.e. North America, Europe, etc are coming back to previous levels; there are tremendous opportunities in the space of IMS services in these markets.
- Indian IT market have been experiencing a double digit growth and is expected to continue the momentum in the future.
- Globalization continues to drive global sourcing models which ensures India to remain competitive and leverage on its talent pool.
- Customers are opening up to offerings around cloud computing solutions, SaaS, on demand solutions, etc which will enable service providers to address new customer segments.
- The remote infrastructure management services and BPO/KPO are seen as growth drivers for the next year.

Sectors Analysis and Opportunities for Glodyne

1. Banking and Finance

A 2008 World Bank report cautioned that in India “rapid growth will not be sustainable if it is not inclusive”. Despite being the fourth largest economy in purchasing power parity terms, India is still known as “a country with many poor but not a poor country”. There are opportunities for technology companies to serve the bottom of the pyramid. The following facts signify the opportunities of financial inclusion services in India:

- About 100mn households in India do not have a bank account
- Out of the 600,000 habitations in the country, only about 30,000 have a commercial bank branch.
- 256 districts spread across 17 states have a credit gap of over 95%
- 73% of farmer household have no access to formal source of credit. Only 20% of marginal farmer household have access to formal source of credit
- 80% of non-cultivator rural households do not have access to any source of credit, formal or informal
- Just about 2% people possess a credit card and ~13% have debit cards

* Source : RBI, NSSO

Over 600 million people across the country are thereby denied the opportunity to harness their potential earning capacity and entrepreneurial talent, and are forced to live in poverty.

Recognizing that the financial inclusion is imperative to the inclusive and sustainable growth, the government and RBI are targeting to achieve full financial inclusion in next few years.

Glodyne – Bringing Banking Services to All

Glodyne has been implementing the largest urban as well as rural financial inclusion initiatives in the Country and is set to acquire a leadership position in this space. With the public roll out of financial inclusion services in Bihar, Glodyne becomes one of the few companies in the country with extensive experience and expertise in the implementation of these schemes. The company has created as per the regulatory requirements, a unique model based on private cloud and managed services. The pricing is based on a per account monthly maintenance which provides predictability and an opportunity to grow the revenue exponentially. The company has built strong IPRs and process frameworks for the financial inclusion services implementation.

2. Education

India is one of the largest education markets (in terms of the potential number of students) in the world. The potential target education market of India comprised 464 million people (in the 5-24 age group) in 2006, approximately 42% of the total population, with an estimated 446 million people (equivalent to 32% of the total population) projected for the year 2026 as compared to potential target markets comprising 354 million people in China and over 90 million people in the U.S. in the year 2025. India has the world's largest population of people under the age of twenty nine. Recognizing the huge potential, there are significant planned outlays for this sector in India.

The Indian education market is currently under-served, with only around 210 million students enrolled in more than one million schools (K-12). The Indian government (both at the central and state level) owns approximately 85% of all of the schools in India. It is estimated that there are currently approximately 120 million students who should be enrolled in school but are not a part of the system due to various economic and social reasons. The higher education system is also highly under-served with around 14 million students as of 3rd March, 2007 in 378 universities and 18,064 colleges. The private, not for profit sector owns over 75% of institutions and accounts for 64% of enrolled students.

Glodyne – Enhancing Education Administration

Glodyne has built innovative managed services offering to penetrate the rapidly growing education sector with end to end offerings. There is a huge untapped opportunity for managed IT services in both the government and private education space. The Company has gained sectoral expertise by the valuable acquisition of Broadlyne. The Company provides interactive and comprehensive services based on cloud services that link and empower all stakeholders i.e. management, parents, teachers, students to interact with one another and seek relevant reports. The managed application services of Glodyne, clubbed with its professional services and rapid implementation methodology, ensures rapid deployment of the application with minimal capital investment on the part of the institute.

3. E-governance

E-Governance ensures that the people in government, business and citizens work together for the benefit of all. The last couple of years have seen e-governance drop roots in India. IT enables transparent delivery of government services as it caters to a large base of people across different segments and geographical locations. The effective use of IT services in government administration can greatly enhance existing efficiencies, drive down servicing costs, and increase transparency in the functioning of various departments. It also gives citizens easy access to tangible benefits, be it through simple applications such as online form filling, bill sourcing and payments, or complex applications like distance education.

E-Governance is a vast area encompassing almost all types of tools and technologies provided by information technology. The expertise and technologies provided by Glodyne since its inception have been utilized towards implementation of many successful e-governance services.

There are initiatives for the empowerment of the people across sections of the society, which need transparent implementation to ensure the benefits are passed on to the rightful people. Following are some key government initiatives which operate at the grass root level and where technology can be used effectively for implementing them.

- **National Social Security Fund** for unorganized sector workers to be set up with an initial allocation of Rs.1000 crore
- Allocation for **Mahatma Gandhi National Rural Employment Guarantee Scheme** stepped up to Rs. 40,100 crore in 2010-11
- A new initiative, “**Swavalamban**” available for persons who join New Pension Scheme (NPS). Allocation of Rs.100 crore made for this initiative
- **Public Distribution System:** Rs 56000 Cr. budgetary provision in 2010-11
- Plan outlay of the Ministry of **Social Justice and Empowerment** enhanced by 80 per cent to Rs.4500 crore. With this enhancement, the Ministry will be able to revise rates of scholarship under its post-matric scholarship schemes for under privileged students
- **School Education Department:** Rs 25,000 Cr budgetary provision in 2010-11
- **Unique Identity Authority of India:** An initiative to ensure identity of each and every Indian is maintained and which forms a base for imparting various schemes and services.

*Source: Union Budget 2010-11 and 11th Five year plan 2007-2012

There are huge opportunities for Companies like Glodyne who have got expertise in implementing these schemes. On an average 6% to 10% are the implementation expenses of these schemes borne by the respective implementing bodies. Innovative services models based on PPP, BOO and BOOT enable fast and accountable implementation.

Glodyne – partner in progress

Information and communication technology (“ICT”) schemes have been a success story globally for Public Private Partnerships (PPP). The Indian government is beginning to emphasize PPPs which can potentially create high revenue generating models for the private sector. There is an opportunity for both private sector standalone and PPP initiatives to fulfill the growing inclusive needs in India. Glodyne has been delivering these solutions in a well orchestrated legal framework of private cloud and managed services model. MNREGS, PDS, Labour Management, are few social schemes which have been identified by Glodyne as opportunity areas. E- Governance with private cloud and managed services offers integration management with automated problem resolution, management of end to end security, and helps in taking informed decisions. Glodyne’s e-governance managed services can benefit government to reduce duplicate efforts and increase effective utilization of resources.

4. Onsite - Remote IMS

The global IMS industry accounts for more than \$ 510 bn or almost a quarter of the overall IT spend. Out of this, the addressable market for remote services is \$ 100 bn. There is a huge opportunity waiting to be tapped by the service providers. The space would be driven by a combination of onsite - remote infrastructure management services (RIMS), 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. The Company foresees the RIMS industry to grow both in the domestic market and international market space.

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. 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”.

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, outsourcing 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.

Fundamental shifts in technology architecture, tools and economics are not only encouraging enterprise customers to reassess the rationale 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 onsite - remote infrastructure management capabilities.

Glodyne – Building value through robust Onsite- Remote IMS Services

Our Onsite - Remote management services allow 24x7 remote monitoring, management and fault diagnosis/ correction for various IT assets. Glodyne delivers its infrastructure management services through a tech center in India with onsite services across India and the US. 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 of traffic of customers to the respective onsite locations, resulting in valuable savings on bandwidth. Our services have helped in faster root cause analysis and in prioritizing problems based on business impact. With our onsite – remote IMS services our clients enjoy a faster response and resolution time while reducing the cost.

B. Financial performance

Financial performance discussion:

During the financial year ending March 2010, the Company revenues grew by 49.54 % to Rs 7492.69 mn and Profit After Tax by 28.53 % to 1000.01 mn. Over the last 5 years we have grown our revenues at the CAGR of 54%. Technology IMS which forms the majority of the revenues has over the last 3 years grown at the CAGR of 83%.

1. Authorized share capital

The Company has an authorized share capital of Rs. 370 million comprising 32 million equity shares of Rs 10/- each and 5 million preference shares of Rs 10/- each as of March 31, 2010.

2. Paid up share capital

The Company has a paid-up capital of Rs. 225.13 million as on March 31, 2010. During the year the company has allotted 11.20 million equity shares of Rs. 10/- each as bonus shares and further the company has also allotted 0.21 million equity shares of Rs. 10/- on exercise of ESOP by employees.

3. Equity shares

The Company has instituted Employee Stock Option Plans (ESOP). These 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, 201,409 equity shares were allotted on exercise of the options under Employee Stock Option Plan instituted by the Company.

4. Reserves and Surplus

a) Securities Premium:

Additions of Rs. 184.32 mn to Securities Premium Account is on account of Amalgamation of Compulink Systems Limited (CSL) with our Company. Further, additions of Rs. 25.80 mn is premium received on exercise of ESOP's by employees of the Company. The Company has utilized Rs. 100.02 mn from Securities Premium Account for issue of Bonus Shares and share issue expenses of Rs. 4.68 mn of CSL is written off from Securities Premium Account.

b) Capital Reserve:

The excess of assets in books of CSL over recorded value of liabilities and reserves in books of CSL and face value of new equity shares to be issued to shareholders of CSL under scheme is credited to Capital Reserve Account. Expenses incurred by the Company for amalgamation is written off from Capital Reserve Account as per scheme.

c) General Reserve:

The Company has transferred Rs. 191.72 mn to General Reserve. The General Reserve balance as on March 31, 2010 was Rs. 281.63 mn.

5. Secured Loan

Secured Loans have increased by Rs. 90.57mn primarily due to increase in working capital facilities from banks to meet growing business needs.

6. Unsecured Loan

Increase in unsecured loans of Rs 5.67 mn is on account of unsecured loans outstanding of Broadlyne Technologies Limited.

7. Fixed Assets:

• Goodwill

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

• 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 including technical knowhow are amortized 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. Leasehold land is amortized over the life of the lease.

• Addition to fixed assets

Additions to fixed assets is primarily on account of amalgamation of BTL and CSL with company, further company has invested Rs. 319.88 mn mainly in technology assets during the year.

C. BUSINESS ANALYSIS

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

In 2009-2010, the company has presence in India and United States of America. The company is headquartered in Mumbai, India with sales and support presence across India and US. The sales and marketing force in India operate from 20 locations. The support centers service the states across North, South, Central and West regions across 100+ locations in the country.

• Sector presence

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

Management Discussion and Analysis

- **Mergers and acquisition:**

In the year 2009 - 2010, the company completed the amalgamation of Broadlyne Technologies Ltd and Compulink Systems Limited with Glodyne Technoserve Limited. The company has completed the consolidation and integration of both the companies.

The amalgamation of Broadlyne has broadened Glodyne's portfolio of managed technology services and adds another dimension of expertise in the sunrise education sector. The amalgamation compliments Glodyne's IMS capabilities in the education space with a strong managed services and has created a winning proposition for the sector.

Through the amalgamation of Compulink which is a leader in the project management services space, Glodyne has acquired the IPRs and the recognized and respected 'Whiz' framework. Through both the amalgamations the company has been able to gain strong IPRs, client relationships and addition of talent and enhancement of the senior management.

- **Awards and Recognition**

During the year the company was declared winner in the Deloitte Technology Fast 50 India and Technology Fast 500 Asia Pacific Programs. The company was also the winner in the India Inc 500 awards for top performing companies in the Country. Glodyne was ranked fifth by Business Today in the "Top Ten Profitable Enterprises of the Decade" in the year. The company was ranked 32 by Business Standard in the list of Top 500 Companies in India in the year.

- **Geographic Mix**

With majority of the clients from India, about 78% of the Glodyne's revenues are from the domestic market. The balance 22% of revenues comes from the US where the company has presence through its subsidiaries. As there are huge IMS opportunities globally the Company is focused on enhancing its presence in North America which is the largest IMS market in the world.

D. FACTORS THAT MAY AFFECT GLODYNE'S GROWTH

Foreign Exchange

The Company has 22% of its business coming from the US geography and going forward it will be expanding its presence in North America. Huge fluctuations in the currency exchange rate could affect the company's onsite business. However for the year 2009-2010 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 takes appropriate hedging decisions from time to time. With the remote delivery which mainly addresses the export market, the company also has a natural hedge to a limited extent.

Operational Risk

The Company is into implementation of large IMS projects in India, which are executed over a period of few years. The company faces operational risk while implementing these projects in the event of timelines/ milestones is missed.

The Company has initiated centers of excellence for managing the projects which is supported by a strong review process. The key parameters of the project are tracked regularly to ensure the timelines and profitability's are maintained.

Acquisition and Integration:

The Company has completed two mergers and one acquisition in the last few quarters. In respect of the same the company could face 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. The company has created a business co-ordination center which ensure planning and execution of the integration strategy. There is a regular review and survey conducted to ensure positive progress of integration. The company has also engaged industry experts as advisors and also taken services for one of the big four consultancy companies to enable timely and impactful integration.

Competition:

Glodyne has successfully carved out a niche for itself by creating a robust onsite/remote delivery model for its technology IMS services across all key sectors. The company has been building huge value propositions

Management Discussion and Analysis

for our customers making it difficult for our customers to move away from our services. However we have seen some Indian companies which have now 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 focused to enhance its tools, processes and intellect to maintain competitive advantage. The company has been investing and has completed the learning curve in creating strong IMS services portfolio in the education, banking and finance and Government sectors in India which are not easily replicable. The IPRs and the learning curve will enable Glodyne to capture larger market share in India.

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, project management 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 has resulted in historical lower than industry attrition rate for the company. The company has also added talent and strong leadership through the two mergers.

E. OUTLOOK

During the financial year ending March 2010, we grew our revenues by 49.54% to Rs. 7492.69 mn and profit after tax by 28.53% to 1000.05 mn. Over the last 5 years we have grown our revenues at the CAGR of 54%. 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 capitalizing 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 for geographic de-risking. The company has been building strong base in the Indian market and it envisions huge opportunity in the domestic market with projects being planned on public- private partnerships. The education managed services, e-governance managed services, financial inclusion services, and onsite-remote IMS services will be key growth driver for the company in the near future. Keeping in view the potentials of the managed services space, strong IPRs & credentials in the domestic market and the company's expertise in the focused area, the outlook remains to be positive.

F. INTERNAL CONTROLS AND ITS ADEQUACY

The company had identified the key risks and control process to mitigate the same. The Company has been partnering with various clients for implementing large projects in the country. To ensure that the organizational objectives are met while partnering with multi-year, multi-million projects, a pricing committee has been constituted. The committee comprises of representatives from business development, legal, finance and is chaired by the CEO.

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 the formation of corporate audit team. The team ensures regular reviewing of financial and risk management policies, significant audit findings, the adequacy of internal controls and compliance with the accounting standards.

Glodyne places a huge emphasis on fostering a culture of teamwork and intends to allow people within the company to realize 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.

To celebrate the 'Glodyne Spirit', **Glofest** is celebrated every year where we honor the performance, felicitate the achievements and share the celebration with the entire Glodyne family. Glofest brand has been created to unite, motivate, recognize the talent and reward them for their remarkable achievements. The awards presented on the event night included, Superstar, Rising Star, Persistent, Tenacious, and My Idea awards. The celebration invitation is also extended to Glodyne alumni members.

The company initiated many innovative programs for its employees; one of them being My Idea where employees share their ideas on improving the services, process, policies, team bonding, etc. Every month the best idea is selected by the Innovation Committee and the best idea for the year is awarded at the annual celebration.

Consolidated Auditors' Report

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

1. We have examined the attached consolidated Balance Sheet of GLODYNE TECHNOSSERVE LIMITED ("the Company") and its subsidiaries (collectively referred to as "the Glodyne Group") as at 31st March, 2010 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 subsidiaries viz. Glodyne Peoplepower Limited and Smaartech Technologies Private Limited, whose financial statements have been considered in the consolidated financial statements.
4. *The financial statements of Glodyne Technoserve Inc., Glodyne Technoserve Singapore Pte. Ltd., Compulink USA, Inc., Compulik Europe Ltd and Compulink Software Pte Ltd. have not been audited. For the purpose of consolidation, we have relied upon the unaudited financial statements and other financial information of these subsidiaries as provided by the Board Directors of respective subsidiaries. The details of assets, revenues and Cash Flows in respect of these subsidiaries are given below:*

(Rs. In Lakhs)

Sr. No.	Name of the Subsidiary	Total Assets	Total Revenue	Net Cash Inflows / (Outflows)
1.	Glodyne Technoserve Inc	1173.04	7643.47	7.79
2.	Glodyne Technoserve Singapore Pte. Ltd	0.48	-	-
3.	Compulink USA, Inc	10.31	74.83	0.36
4.	Compulik Europe Ltd	0.88	-	(0.42)
5.	Compulink Software Pte Ltd	2.77	-	(1.29)

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, 2010;
 - (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 N M Kapadia & Co
Chartered Accountants
FRN: 107072W

sd/-

Nilesh M. Kapadia
Partner

Membership No.: 33697

Place : Mumbai

Date : November 25, 2010

Consolidated Balance Sheet as at March 31, 2010

(Rupees In Lakhs)			
Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	2,251.33	1,110.92
Share Suspense Account (Refer Note No.B 1(b)(iv) of Schedule "L")		277.96	-
Reserves and Surplus	B	24,592.54	15,008.38
Securities Premium Suspense Account (Refer Note B-1 of Schedule 'L')		2,401.33	-
		29,523.16	16,119.30
Loan Funds			
Secured Loans	C	9,712.48	8,806.83
Unsecured Loans		56.80	-
		9,769.28	8,806.83
Deferred Tax Liability		1,116.97	548.27
Minority Interest		208.90	173.01
TOTAL		40,618.31	25,647.41
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	17,455.91	7,113.89
Less:- Depreciation		(4,925.36)	(2,147.22)
Net Block		12,530.55	4,966.67
Capital Work in progress		2,355.72	5,500.35
Intangible Assets pending Capitalisation		809.79	-
		15,696.06	10,467.02
Goodwill (on Consolidation)		3,367.34	3,367.34
Investments	E	3.63	0.01
Current Assets, Loans & Advances			
Inventories	F	446.81	572.26
Work in Progress		841.20	-
Sundry Debtors		16,509.00	11,843.94
Cash and Bank Balances		4,191.92	302.23
Loans and Advances		7,599.28	5,445.29
		29,588.21	18,163.72
Current Liabilities and Provisions			
Current Liabilities	G	4,543.96	3,921.88
Provisions		3,492.97	2,428.80
		8,036.93	6,350.68
Net Current Assets		21,551.28	11,813.04
TOTAL		40618.31	25,647.41
Significant Accounting policies and Notes to Consolidated Accounts			
	L		

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2010

(Rupees In Lakhs)			
Particulars	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Revenue from Operations	H	74,926.87	50,102.34
Other Income (Net)	I	(632.60)	1,005.79
TOTAL		74,294.27	51,108.13
EXPENDITURE			
Operating & other expenses	J	57,819.84	39,602.15
Finance Charges	K	1,388.69	764.68
Depreciation / Amortisation	D	2089.00	933.30
TOTAL		61,297.53	41,300.13
Profit before Tax		12,996.74	9,808.00
Add: Adjustment on account of Alignment in Accounting Policy <i>(Refer Note B-1(d)(iii) of Schedule 'L')</i>		325.91	-
Less: Provision for Taxation			
Current Taxes <i>(net of Rs. 18.89 Lakhs towards excess provision of earlier years)</i> <i>[Previous Year Rs. 2,21.02 Lakhs, being short provision for earlier years]</i>		(2,570.72)	(1,843.91)
Fringe Benefit Tax <i>[being short provision for earlier years]</i> <i>[Previous Year, being short provision for earlier years Rs.0.04Lakhs]</i>		(30.60)	(33.91)
Wealth Tax		(0.22)	(0.04)
Deferred Taxes		(685.17)	(145.42)
Net Profit after Tax Before minority interest		10,035.94	7,784.72
Minority Interest		(35.89)	(4.75)
Net Profit for the Year Available for Appropriation		10,000.05	7,779.97
Appropriation:			
Less: Transfer to General Reserve		(1,917.19)	(737.50)
Less: Proposed Dividend		(1,103.70)	(470.51)
Less: Tax on Proposed Dividend		(183.31)	(79.96)
Profit after Appropriation		6,795.85	6,492.00
Add : Balance brought forward		13,015.67	6,523.67
Add : Transfer from Debenture Redemption Reserve		42.00	-
Less : Utilised for Issue of bonus Shares		(118.73)	-
Balance Carried to Balance Sheet		19,734.79	13,015.67
Significant Accounting policies and Notes to Consolidated Accounts			
Earning per Share - Basic (Rs.)	L	40.94	34.98
- Diluted		39.14	33.49
<i>(refer Note B - 13 of Schedule 'L')</i>			

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2010

(Rupees In Lakhs)			
Particulars	Year ended 31.03.2010	Year ended 31.03.2009	
Net Profit before Taxation and extraordinary items	12,996.74	9,808.00	
A. Cash Flow from Operating Activities :			
Adjustment for :			
Depreciation /Amortisation	2,089.00	933.30	
Preliminary Expenses Written Off	0.12	-	
Interest and other Finance Charges	1,388.69	764.68	
Interest received	(405.48)	(119.29)	
Rent received	(53.93)	-	
Dividend received	(0.56)	(0.002)	
Profit on Sale of Fixed Asset	(0.49)	-	
Bad Debt Written - off and Provision for Doubtful Debts	149.83	-	
Impairment on Fixed Assets	0.30	-	
Foreign Exchange Fluctuation Loss / (Gain) [unrealised]	83.31	(613.36)	
Sundry Balances written back (net)	(93.05)	3,157.74	(8.04) 957.30
Operating Profit before working capital changes	16,154.48		10,765.30
Adjustment for :			
Decrease / (Increase) in Inventories	(715.75)	(303.64)	
Decrease / (Increase) in Trade & Other Receivables	(5,225.69)	(9,825.31)	
(Decrease) / Increase in Trade & Other Payables	(8.12)	(5,949.56)	3,179.65 (6,949.30)
Cash generated from operations	10,204.92		3,816.00
Taxes paid (including Fringe Benefit Tax)	(2,245.75)		(624.08)
Net Cash Flow from Operating Activities	7,959.17		3,191.92
B. Cash Flow from Investing Activities :			
Interest received	405.48	119.29	
Dividend received	0.56	0.002	
Rent Received	53.93	-	
(Increase) / Decrease in fixed deposits (under lien with scheduled banks)	(436.62)	(133.91)	
Expenses on Amalgamation	(22.97)	-	
Net Increase in Fixed assets, Capital Work-in Progress & Intangible Assets	(3,198.78)	(7,935.15)	
Sale Proceeds of Fixed assets	0.71	-	
Net Cash from Investment Activities	(3,197.69)		(7,949.77)

Consolidated Cash Flow Statement for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
C. Cash Flow from Financing Activities :		
Proceeds from Issue of Equity Shares (including Securities Premium)	278.13	89.51
Proceeds from Issue of Equity Shares to Minority	-	74.96
Proceeds / (Repayment) of Secured loans (net)	486.82	6,111.94
Proceeds / (Repayment) of Unsecured loans	(526.86)	(692.00)
Interest and other Finance Charges	(1,388.69)	(764.68)
Dividend paid (including Dividend Tax)	(549.01)	(154.73)
Net Cash from from Financing Activities	(1,699.61)	4,665.00
Net (Decrease)/Increase in cash and cash equivalent	3,061.87	(92.85)
Cash and cash equivalent at the beginning of the year	137.08	229.93
Cash and cash equivalent at the end of year	3,198.95	137.08
Addition on Account of Amalgamation	391.20	-
Fixed Deposits held by Scheduled banks under lien	601.76	165.15
Cash and cash equivalent at the end of year (as per Schedule F)	4,191.92	302.23

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

	(Rupees In Lakhs)	
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED:		
3,20,00,000 (2,00,00,000) Equity Shares of Rs. 10/- each	3,200.00	2,000.00
50,00,000 (50,00,000) Preference Share of Rs.10/- each (Refer Note B-1(d)(i) of Schedule 'L')	500.00	500.00
	3,700.00	2,500.00
ISSUED, SUBSCRIBED AND PAID UP:		
2,25,13,272 (1,11,09,223) Equity Shares of Rs. 10/- each fully paid up (Refer note B-8 of Schedule 'L') of the above: 1,45,94,346 (33,91,706) Equity Shares of Rs. 10/- each were allotted as Bonus Shares (Refer Note B-1(d)(i) of Schedule 'L') by way of capitalisation of General Reserve, Balance in Profit and Loss Account, and Securities Premium Account	2,251.33	1,110.92
SCHEDULE 'B' - RESERVES AND SURPLUS		
(A) Securities Premium		
Opening Balance	1,001.53	846.05
Additions on Issue of Shares (Refer Note B-4 of Schedule 'L')	257.98	155.48
Additions on Amalgamation (Refer Note No. B-1 of Schedule 'L')	1,843.23	
Less : Share Issue Expenses Written off	(46.83)	-
Less : Utilised for Issue of Bonus Shares	(1,001.53)	-
Closing Balance	2,054.38	1,001.53
(B) Capital Reserve		
Opening Balance	-	-
Additions on account of Amalgamation (Refer note B-1 of Schedule 'L')	984.08	-
Less : Expenditure incurred on Amalgamation	(22.97)	-
Closing balance	961.11	-
(C) Debenture Redemption Reserve		
Opening Balance	42.00	42.00
Less: Transferred to Profit and Loss Account	(42.00)	-
Closing balance	-	42.00
(D) Foreign Currency Translation Reserve (arising on Consolidation)		
Opening Balance	61.27	(0.62)
Less:- Adjustment for the Current Financial Year	(231.20)	61.89
Closing Balance	(169.93)	61.27
(E) General Reserve		
Opening Balance	887.90	150.40
Add:- Additions on account of Amalgamation (Refer note B-1 of Schedule 'L')	11.20	-
Add:- Transferred from Profit & Loss Account	1,917.19	737.50
Closing balance	2,816.29	887.90
(F) Profit and Loss Account		
Additions / (Deductions) on account of Amalgamation (Refer note B-1 of Schedule 'L')	19,734.79	13,015.67
	(804.10)	-
Closing Balance	18,930.69	13,015.68
TOTAL	24,592.54	15,008.38

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C' LOAN FUNDS		
Secured Loans		
<i>(Refer Note B-5 of Schedule 'L')</i>		
From Banks		
Cash Credit & other Working Capital Facilities	8,032.14	5,886.84
Working Capital Term Loans	491.77	913.19
Other Term Loans from Banks	1,101.40	1,894.70
Vehicle loans	87.17	70.10
	9,712.48	8,764.83
<i>[Amount Due within one year in respect of Loans from Banks Rs.391.79 Lakhs (Rs.957.83 Lakhs)]</i>		
Debentures		
9% Secured Non-Convertible Redeemable		
Debentures issued to Wipro Limited	42.00	84.00
Less: Redeemed during the year	(42.00)	(42.00)
	9,712.48	8,806.83
Total Secured Loans		
Unsecured Loan		
Short Term Unsecured Loan from a Scheduled Bank	13.07	-
Inter Corporate Deposits	43.73	-
	56.80	-
TOTAL	9,769.28	8,806.83

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Schedule 'D' - Fixed Assets

Particulars	Gross Block						Depreciation				Net Block			
	As At 1st April, 2009	Additions on Account of Amalgamation during the Year	Deductions During the Year	Cost Adjustments	As At 31 March, 2010	Upto 1st April, 2009	Additions on Account of Amalgamation	Depreciation Reversed on Account of Alignment in Accounting Policy	Depreciation for the Year	Depreciation on Deductions during the year	Adjustments	Upto 31 March, 2010	As At 31 March, 2010	As At 31 March, 2009
Tangible Assets														
Lease Hold Land	-	112.59	-	-	112.59	-	4.41	(0.56)	1.19	-	-	504	107.55	-
Lease Hold Premises	48.65	-	-	-	48.65	7.14	-	-	0.79	-	-	793	40.72	41.51
Leasehold Improvements	82.94	-	117.43	-	200.37	17.59	-	-	49.73	-	-	67.33	133.05	65.35
Office Premises	89.44	763.31	-	-	852.74	22.58	147.25	(98.16)	13.90	-	-	85.57	767.17	66.85
Office Equipments	38.56	290.39	47.30	(0.27)	375.99	6.92	120.25	(65.1)	21.58	(0.01)	(0.27)	83.37	292.62	31.64
Plant and Machinery	-	1.49	-	-	1.49	-	0.08	-	0.07	-	-	0.15	1.33	-
Electrical Installation	-	161.85	-	-	161.85	-	69.87	(41.70)	7.68	-	-	35.85	126.00	-
Furniture & Fixture	329.73	277.42	17.66	-	624.81	48.80	156.23	(67.79)	46.80	-	-	184.05	440.77	280.93
Motor Vehicles	115.44	54.28	34.77	(6.63)	197.86	16.41	20.57	(7.47)	16.88	(6.42)	-	39.99	157.87	99.03
Computer Systems	2,643.08	693.34	3,379.22	(8.53)	6,707.11	671.24	161.90	(35.46)	815.15	(8.22)	-	1,604.61	5,102.50	1,971.83
Books	-	1.33	-	-	1.33	-	1.33	-	-	-	-	1.33	-	-
Intangible Assets														
Patents & Copyrights	-	349.51	-	-	349.51	-	(255.69)	(0.05)	56.33	-	-	311.96	37.55	-
Softwares	3,766.06	88.03	1,988.86	(252.85)	5,590.10	1,356.53	69.99	(9.62)	729.47	-	(94.49)	2,051.88	3,538.22	2,409.53
Technical Know How	-	-	2,231.52	-	2,231.52	-	-	-	446.30	-	-	446.30	1,785.21	-
Current Period	7,113.89	2,793.54	7,816.76	(15.16)	17,455.91	2,147.22	1,007.57	(325.91)	2,205.88	(14.65)	(94.75)	4,925.36	12,530.55	4,966.67
Previous Year	4,156.27	2,641.00	2,641.00	316.62	7,113.89	1,072.91			983.44		140.87	2,147.22	4,966.67	3083.37

Note - Out of total Depreciation of Rs. 2205.88 Lakhs a sum of Rs. 116.88 Lakhs has been transferred to Cost of services.

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'E' INVESTMENTS		
Long Term Investments (at Cost)		
Trade Investments (Unquoted - Fully Paid Up)		
2,600 (100) Equity Shares of Saraswat Co-operative Bank Ltd. [Face Value per share Rs.10/- each]	0.26	0.01
16,845 (16,845) Shares of Cosmos Co- operative Bank Limited [Face Value per share: Rs.20/- each]	3.37	-
TOTAL	3.63	0.01
SCHEDULE 'F' CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
1. INVENTORIES		
<i>(As taken , valued and certified by the Management)</i>		
Goods for Resale		
Computer Equipments, Peripherals and Softwares	446.81	572.26
2. Work in Progress		
<i>(As taken , valued and certified by the Management)</i>		
	841.20	-
3. SUNDRY DEBTORS : (Unsecured)		
Outstanding for over six months		
- Considered Good	650.93	113.85
- Considered Doubtful	122.18	-
	773.11	113.85
Others		
- Considered Good	15,858.07	11,730.09
- Considered Doubtful	-	-
	15,858.07	11,730.09
Less: Provision for Dobtful Debts	(122.18)	-
	16,509.00	11,843.94
4. CASH AND BANK BALANCES		
- Cash on Hand	22.93	5.12
- Cheques In Transit	49.80	-
Balances with Scheduled Banks		
(i) In Deposit Accounts	3,031.13	165.15
<i>[held under lien by Scheduled banks Rs.601.76 Lakhs (Rs. 165.14 Lakhs)]</i>		
(ii) In Current Accounts	1,052.61	122.90
(iii) In Dividend Account	2.41	1.48
(iv) In Exchange Earners' Foreign Currency Account	14.36	-
Balances with Non - Scheduled Banks		
In Current Accounts		
Bank of America USA	17.20	7.58
<i>[Maximum Balance Outstanding during the year Rs. 1281.81Lakhs (Rs.447.77 Lakhs)]</i>		
HSBC Ltd - Europe	0.80	-
<i>(Maximum Balance Outstanding during the year Rs.1.23 Lakhs)</i>		
HSBC Ltd - Singapore	0.68	-
<i>(Maximum Balance Outstanding during the year Rs. 11.65 Lakhs)</i>	4,191.92	302.23

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

	(Rupees In Lakhs)			
Particulars	As at 31.03.2010		As at 31.03.2009	
5. LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
(i) Advances to Suppliers	5,419.79		4,179.35	
(ii) Advances to Staff	249.15		55.68	
(iii) Advances recoverable in cash or in kind or for value to be received	1,430.26		910.49	
(iv) Deposits	483.81		297.66	
(v) Other Current Assets	16.27	7,599.28	2.11	5,445.29
TOTAL		<u>29,588.21</u>		<u>18,163.72</u>
SCHEDULE 'G' CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES :				
(i) Sundry Creditors for goods, services and expenses				
- Due to Micro and Small Enterprises	-		0.08	
- Others	2,714.48		2,768.42	
(ii) Advances from Customers	1,283.59		943.04	
(iii) Unclaimed Dividend *	2.41		0.94	
(* There is no amount due & outstanding to be credited to Investor Education and Protection Fund)				
(iv) Deposits	10.05		-	
(v) Other Liabilities	533.43	4,543.96	209.40	3,921.88
PROVISIONS :				
For Staff Retirement Benefits	41.66		25.79	
For Proposed Dividend	1,103.70		470.51	
For Tax On Dividend	183.31		79.96	
For Income Tax (including Fringe Benefit Tax) [net of relative payments, if any]	2,164.30	3,492.97	1,852.54	2,428.80
TOTAL		<u>8,036.92</u>		<u>6,350.68</u>
SCHEDULE 'H' REVENUE FROM OPERATIONS				
Technology IMS	63,762.98		38,706.47	
Software Services	11,163.89		11,395.87	
TOTAL		<u>74,926.87</u>		<u>50,102.34</u>
SCHEDULE 'I' OTHER INCOME				
Interest received - Gross	405.48		119.29	
(Tax deducted at Sources Rs.10.58 Lakhs(Rs.24.30 Lakhs)				
Dividend	0.56		0.002	
Rent	53.93		-	
Foreign Exchange Flucutation Gain / Loss (net)	(1,186.88)		875.25	
Profit on Sale of Fixed Assets	0.49		-	
Sundry Balances written back (net)	93.05		8.04	
Miscellaneous Income	0.77		3.21	
TOTAL		<u>(632.60)</u>		<u>1,005.79</u>

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	As at 31.03.2010		As at 31.03.2009	
SCHEDULE 'J' 'OPERATING AND OTHER EXPENSES				
Material Cost, Software Development, Contract & Service Charges		46,151.59		32,450.03
Staff Costs				
Salaries, allowances, Incentives & Contractual payments		7,881.76		5,906.72
Contribution to Statutory Funds		60.62		21.70
Staff Welfare		56.50		15.57
Staff Training & Recruitment		29.11	8,027.99	16.29
		<u>8,027.99</u>		<u>5,960.27</u>
Directors' Remuneration				
Salaries and allowances		194.66		117.41
Contribution to Statutory Funds		5.61		2.59
Sitting Fees		1.87	202.14	1.34
		<u>1.87</u>		<u>121.34</u>
Communication Costs		123.03		66.43
Advertisement, Publicity and Business Promotion		40.76		23.72
Legal & Professional Expenses		368.54		154.99
Office Maintenance		112.58		31.78
Traveling & Conveyance		353.81		236.30
Electricity Charges		55.67		29.01
Rent		515.76		375.17
Equipment Lease Rentals		1,413.13		-
Insurance		9.79		4.35
Auditors' Remuneration		23.50		9.78
Postage & Courier Charges		14.28		10.87
Printing and Stationery		19.89		12.65
Rates & Taxes		64.57		45.97
Repairs & Maintenance				
-Machineries		11.85		-
-Others		39.88	51.73	-
Discount		0.25		16.24
Donation		0.10		0.11
Vehicle Expenses		15.67		7.97
Commision & Brokerage		76.83		32.08
Impairment on Assets		0.30		-
Bad Debts Written off		27.65		-
Provision for Doubtful Debts		122.18		-
Membership & Subscription		12.70		3.52
Preliminary Expenses Written off		0.12		-
Miscellaneous Expenses		15.28		9.57
TOTAL		<u>57,819.84</u>		<u>39,602.14</u>
SCHEDULE 'K'				
FINANCE CHARGES				
Interest on Debentures		4.27		7.24
Interest to Banks on Fixed Loans		212.91		202.51
Interest to Banks on Working Capital Facilities		985.63		498.46
Interest to Others		73.91		1.29
Bank Charges and Commission		111.97		55.18
		<u>111.97</u>		<u>55.18</u>
TOTAL		<u>1,388.69</u>		<u>764.68</u>

Significant Accounting Policies and Notes to Consolidated Accounts

Schedule 'L': Significant Accounting Policies and Notes to Consolidated 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 including providing Turnkey Solutions for Large Scale Technology Projects, Technology Maintenance and Management 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

Significant Accounting Policies and Notes to Consolidated Accounts

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 Limited	India	60%
Glodyne Technoserve Inc.	USA	100%
Glodyne Technoserve Singapore Pte. Ltd.	Singapore	100%
Smaarteck Technologies Private Limited	India	99.95%
Compulink USA Inc.*	USA	100%
Compulink Europe Limited*	Europe	100%
Compulink Software Pte. Ltd.*	Singapore	100%

*As a result Scheme of Arrangement and Amalgamation of Compulink Systems Limited (CSL) with Glodyne Technoserve Limited (GTL), the wholly owned subsidiaries of CSL have become wholly owned subsidiaries of GTL with effect from April 1, 2009.

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

Revenues are recorded net off all the applicable taxes.

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

- i. **Technology Infrastructure Management Services:** This represents Technology Integration and Management Services. Technology Integration activities include technology management services, turnkey solutions for technology deployment, 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:** representing 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.
- iii. **Revenue from E- Governance Project:** Revenue from the project comprises two streams of revenue i.e. fixed guaranteed revenue against setting up of the system which includes installation of hardware, development of Software, capacity building, maintenance and operation of the system as the case may be and variable revenue against rendering of services or from distribution of Smart Cards with embedded records of beneficiaries. Fixed Revenue is recognized after achieving the milestones deliverable on lapse of time, in accordance with the terms and conditions of the agreement and variable revenue is based on achievement of milestones as prescribed in the agreement with the respective Government(s). During the year, no such revenue has been recognized based on the achievement criterion of the agreement.

Significant Accounting Policies and Notes to Consolidated Accounts

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 group's right to receive dividend is established.
- iii. Rent Income: Rent on immovable properties is recognised on accrual basis as per the respective agreements with the parties.

6. Expenditure

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

7. Fixed assets, Intangible Assets, Capital Work-in Progress and Depreciation / Amortisation

- 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 and Intangible Assets pending Capitalisation includes advances paid for acquiring fixed assets / Intangible 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 including Technical Know how 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. Leasehold land is amortised over the life of the lease.
- 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.

8. Incidental Expenditure on Project pending allocation to Fixed Assets

Income earned / expenses incurred prior to the commencement of commercial operations of the project have been credited / debited to "Incidental Expenditure on Project pending allocation to Fixed Assets". The same are carried forward in the Balance Sheet and will be capitalized as a part of the Fixed Assets upon underlying Fixed Assets ready for its intended use.

9. Borrowing Costs

Borrowing Costs attributable to acquisition of fixed assets are capitalized as a part of the cost of asset up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred. Borrowing cost attributable to the assets not yet capitalized is reflected under "Incidental Expenditure on Project pending allocation to Fixed Assets".

10. 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.

11. Inventories

Inventories include stocks of Computer equipments, peripherals and traded software in respect of Technology Infrastructure Management Services of the group 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.

12. Work In Progress

The work in progress includes costs incurred in relation to the service project for which the services are yet to be performed / billed.

Significant Accounting Policies and Notes to Consolidated Accounts

13. 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.

14. Preliminary / Share Issue Expenses

Preliminary expenses are charged to the Profit and Loss Account in the year in which incurred. Share issue expenses are adjusted against Securities Premium Account as per Section 78(2) of the Companies Act, 1956.

15. 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 Statutory Authorities. 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. In respect of Compulink Systems Limited which merged with the Company during the year, Gratuity benefits are administered by a Trust formed for this purpose through the Group Gratuity Scheme of the Life Insurance Corporation (LIC) of India. In respect of this fund, the adequacy of the accumulated funds available with the LIC has been confirmed on the basis of an actuarial valuation made at the year end and the provision has been made for the shortfall, if any.

(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.

16. Accounting for Taxes

Tax expense comprises of Current and Deferred tax. Provision for Current 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.

Significant Accounting Policies and Notes to Consolidated Accounts

17. 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.

18. Employee Stock Options

- (a) During the financial year, the Company has granted 1,44,982 (49,510) 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 2010, 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. 201.94 Lakhs (Rs. 174.41 Lakhs) Profits after tax lower by Rs. 201.94 Lakhs (Rs.174.41 Lakhs) and basic and diluted earnings per share would have been lower by Rs. 0.83 (Rs.1.58) and Rs. 0.81 (Rs.1.52) respectively.

(b) Summary of Stock Options:

Particulars	2009-10		2008-09	
	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	4,71,893	Not Applicable	6,53,982	Not Applicable
Options granted during the year	1,44,982	Not Applicable	49,510	Not Applicable
Options forfeited/lapsed/ cancelled during the year	(81,589)	Not Applicable	NIL	Not Applicable
Options exercised during the year	(1,47,413)	188.71	(2,31,599)	74.69
Options outstanding at the end of the year	3,87,873	Not Applicable	4,71,893	Not Applicable
Options vested but not exercised at the end of the Year	53,186	Not Applicable	3,30,864	Not Applicable

(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.)
15.06.2009	418.25
23.02.2010	478.43
03.03.2010	602.20

Significant Accounting Policies and Notes to Consolidated Accounts

(d) Information in respect of Options outstanding as at 31st March 2010:

Exercise price	Number of options	Average remaining life
68.10	74,060	6 months
79.50	79,050	6 months
204.25	51,664	1.5 years
317.90	25,482	1.5 years
257.00	12,635	2.5 years
451.00	52,720	2.5 years
534.51	92,262	2.5 years

- (e) The fair value of option granted on November 20, 2006; March 6, 2007; March 28, 2007; September 27, 2007; January 29, 2008; October 30, 2008; July 1, 2009 and July 28, 2009 are Rs. 40.85, Rs. 38.05, Rs. 42.79, Rs. 113.08, Rs. 186.22, Rs.151.65, Rs. 258.40 and Rs. 306.06 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	20 th November 2006	6 th March 2007	28 th March 2007	27 th September 2007	29 th January 2008	30 th October 2008	1 st July 2009	28 th July 2009
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%	5.01 to 6.48%	4.56 to 6.65%
Expected life	6 months	6 months	6 months	1.5 years	1.5 years	2.5 years	2.5 to 5.5 years	2.5 to 5.5 years
Expected volatility	60.78%	62.81%	62.94%	61.23%	64.47%	72.07%	67.65 to 69.66%	67.47% to 69.71%
Expected dividend yield	1.46%	1.46%	1.46%	1.53%	1.53%	0.82%	0.98%	0.98%
Exercise Price (Rs.)	68.10	79.50	89.95	204.25	317.90	257.00	451.00	534.35
Stock Price as on the date of grant (Rs.)	79.90	78.90	88.80	219.40	349.00	257.00	473.20	561.05

Note: The Company has during the year issued bonus shares. The information given above is based on the pre bonus issue options position and not adjusted to bonus.

Compulink Systems limited has ESOP Schemes, which was administered through Trust route. Upon amalgamation, the shares / underlying option would get extinguished and the erstwhile schemes would not be in effect. Hence, the details of the same have not been provided for.

19. Provisions and Contingent Liabilities and Contingent Assets

The group 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.

20. Earning per Share (EPS)

The earning considered in ascertaining the group'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.

The EPS for the previous year is restated after adjustment for issue of Bonus share during the year.

Significant Accounting Policies and Notes to Consolidated Accounts

21. 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.

22. 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. Amalgamation:

a. Schemes of Arrangement and Amalgamation (“the Scheme”) of Glodyne Technoserve Limited [‘GTL’] (“Transferee”) with Compulink Systems Limited [‘CSL’] and Broadlyne Technologies Limited [‘BTL’] (together referred to as the Transferor Companies) had been sanctioned by the Hon’ble High Court of Judicature of Bombay (‘the Court’) with effect from April 1, 2009 (“the Appointed Date”) vide orders dated October 22, 2010 and November 19, 2010 respectively. Authenticated copies of the Orders of the Court sanctioning the Schemes were filed with the Registrar of Companies, Maharashtra on October 30, 2010 and November 24, 2010 respectively (“the effective date”). The impact of the schemes has been given effect in the Financial Statements for 2009-2010.

b. Scheme with CSL

- i) CSL is principally engaged in the business of Software Development Services, Software Products, Project Management Training and Consultancy thereon.
- ii) The Scheme with CSL is amalgamation in the nature of merger and hence envisages recording of all Assets, Liabilities and Reserves of CSL at book value in the books of GTL and the consideration to be discharged by way of issue of equity shares of GTL. As a result, the Scheme with CSL has been accounted for under the ‘Pooling of Interest Method’ as prescribed by AS-14 “Accounting for Amalgamations” and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to these accounts and all Assets, Liabilities and Reserves of CSL stands transferred to and vested in GTL with effect from the Appointed Date and have been recorded by GTL at their respective book values as appearing in the books of CSL.
- iii) The Value of Net Assets and the Reserves as on April 1, 2009 of CSL taken over by GTL on Amalgamation are as under:

Particulars	(Rs. In Lakhs)
Particulars	Amount
Assets	
Fixed Assets (Including Capital work in Progress)	1,330.44
Investments	715.02
Deferred Tax Asset	125.70
Current Assets, Loans & Advances	1,431.20
Miscellaneous Expenditure	46.83
Total of Assets	(a) 3,649.19
Liabilities	
Current Liabilities & Provisions	(418.40)
Secured Loans	(291.92)
Total of Liabilities	(b) (710.32)
Net Assets acquired on Amalgamation	(c)=(a)-(b) 2,938.87
Transfer of Reserves & Surplus of CSL	
Securities Premium Account	1,843.23
General Reserve	11.20
Profit and Loss Account	47.52
Total Reserves & Surplus	(d) 1,901.95
Remainder, represented by Share capital of CSL	(e)=(c)-(d) 1,036.92
Equity Share Capital to be issued by GTL (credited to Share Suspense Account)	(f) 52.84
Balance transferred to Capital Reserve	(e)-(f) 984.08

Significant Accounting Policies and Notes to Consolidated Accounts

- iv) In accordance with the Scheme, 1 (One) Equity Share of Rs. 10/- each fully paid up of GTL is to be issued and allotted for every 19 (Nineteen) Equity Shares of Rs. 10/- each fully paid up held in the CSL having a face value of Rs. 10/- each on record date to be fixed. As per the Scheme, 3,31,600 Shares Held under the Employee Stock Options Schemes owned by CSL Employee Stock Option Trust stand cancelled and are not eligible for consideration from GTL. As a result, GTL is required to issue 5,28,403 Equity shares of Rs. 10/- each fully paid up aggregating to Rs. 52.84 Lakhs to the shareholders of CSL. Pending allotment, the face value of such shares has been shown under "Share Suspense Account". Further, the Scheme also provides for grant of options in GTL as against the options in CSL held by the employees of CSL. As a result, 1,967 Stock options are to be issued to the employees of CSL by GTL.
- v) Rs. 984.08 Lakhs being the excess in the recorded value of assets in the books of accounts of GTL over the recorded value of liabilities and reserves in the books of accounts of GTL and the face value of new Equity Shares to be issued to the shareholders of CSL under the Scheme has been reflected under "Capital Reserve" in the books of GTL.
- vi) Further, as a result of the Scheme, wholly owned subsidiaries of CSL viz. Compulink USA Inc., Compulink Europe Limited and Compulink Software Pte Ltd., Singapore, have become wholly owned subsidiaries of GTL with effect from the Appointed Date.

c. Scheme with BTL

- i) BTL is engaged in an Application Service Provider in the Education field.
- ii) The Scheme with BTL is amalgamation in the nature of purchase and hence envisages recording of all Assets and Liabilities of BTL at their respective fair values and the consideration to be discharged in the form of Equity shares and Compulsorily Convertible Preference Shares of GTL. As a result, the Scheme with BTL has been accounted for under the 'Purchase Method' as prescribed by AS-14 "Accounting for Amalgamations" and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to these accounts and all Assets and Liabilities of BTL stand transferred to and vested in GTL with effect from the Appointed Date and is recorded by GTL at their respective fair values as mandated by the Scheme.
- iii) The Value of Net Assets of BTL as on April 1, 2009 taken over by GTL on Amalgamation are as under:

Particulars		Amount
(Rs. in Lakhs)		
Assets		
Fixed Assets (including Technical Know how recognized on Amalgamation Rs. 2,231.52 Lakhs)		2,737.52
Current Assets, Loans & Advances		761.34
Miscellaneous Expenditure		0.12
Total of Assets	(a)	3,498.98
Current Liabilities & Provisions		(152.72)
Secured Loans		(126.91)
Unsecured Loans		(583.65)
Deferred Tax Liability		(9.25)
Total of Liabilities	(b)	(872.53)
Net Assets acquired on Amalgamation	(a)-(b)	2,626.45
Equity Share Capital to be issued by GTL (credited to Share Suspense Account)	(c)	150.08
Preference Share Capital to be issued by GTL (credited to Share Suspense Account)	(d)	75.04
Securities Premium on Preference Share Capital to be issued by GTL (credited to Securities Premium Suspense Account)	(e)	2,401.33
Total Purchase Consideration	[(c)+(d)+(e)]	2,626.45

Significant Accounting Policies and Notes to Consolidated Accounts

- iv) In accordance with the Scheme, 2 (Two) Equity Shares of Rs. 10/- each fully paid up and 1 (One) Compulsorily Convertible Preference Share ('CCPS') of Rs. 10/- each fully paid up at a premium of Rs. 320/- per share of GTL are to be issued and allotted for every 1 (One) Equity Share of Rs. 10/- each fully paid up held in BTL, on record date to be fixed. As a result, GTL is required to issue and allot new Equity Shares of Rs. 150.08 Lakhs representing 15,00,830 Equity Shares of Rs. 10/- each fully paid up at par and new CCPS of Rs. 75.04 Lakhs representing 7,50,415 CCPS of Rs. 10/- each fully paid up at a premium of Rs. 320 per share amounting to Rs. 2,401.33 Lakhs. The New CCPS, would be considered for the purpose of conversion into fully paid up Equity Shares of GTL as per the terms set out in the Scheme. Pending allotment, the face value of such shares and Securities Premium has been shown under "Share Suspense Account" and "Securities Premium Suspense" Account respectively.

d. General:

- i) Pursuant to the Scheme with CSL, the authorised share capital of the GTL will stand increased by Rs. 1,500 Lakhs comprising of 1,50,00,000 Equity Shares of Rs. 10/- each. Similarly, the authorized share capital will further stand increased by Rs.100 Lakhs comprising of 10,00,000 Equity Shares of Rs. 10/- each on account of scheme with BTL.
- ii) The Expenses incurred during the financial year on Amalgamations have been adjusted against the Capital Reserve arising on account of the Schemes referred to above.
- iii) During the year, on account of alignment in the accounting policy of providing depreciation from Written Down Value Method ("WDV") as followed by CSL to Straight Line Method ("SLM") as followed by GTL, Rs.325.91 Lakhs has been credited to the Profit and Loss Account, being the excess depreciation hitherto charged under the WDV method as compared to the SLM of providing the depreciation. Such difference in Accounting Policies on account of Amalgamation has been adjusted in the Profit and Loss Account as per the Scheme.
- iv) The Financial statements of both the transferor Companies for Financial Year 2009-2010 were duly audited by the respective Auditors of these Companies, and already approved by the respective Board of Directors before the effective date of the Scheme. These statements have been relied upon in giving effect to the Scheme in the books of GTL and have been relied upon by the Auditors of GTL except adjustments relating to the alignment in accounting policies, re-grouping of the figures to bring them in line with the presentation as adopted by GTL.

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

(Rs. In Lakhs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Glodyne Peoplepower Private Limited	138.07	138.07
Glodyne Technoserve Inc.	3,229.27	3,229.27
Total	3,367.34	3,367.34

3. Operating Leases:

(a) Operating Lease – Expenses:

- a. The Company has various operating leases for office facilities, equipments 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. 1,928.99 Lakh (Rs. 375.17 Lakh) and the same are debited to Rental expense and Equipment Lease Rentals.
- b. Under these lease agreements, refundable interest free security deposits have been given by the Company (excluding certain Equipment Lease Agreements where no such deposits have been given).
- c. These agreements (Excluding certain Equipment Lease Agreements) provide for;
- Increase in rental during the tenure of lease agreement
 - Contain renewal clause
 - Contain clause for restriction on sub-leasing

Significant Accounting Policies and Notes to Consolidated Accounts

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

Particulars	(Rs. in Lakhs)	
	2009-10	2008-09
● Not later than one year	139.09	288.49
● Later than one year but not more than five years	NIL	120.19
● Later than five years	NIL	NIL

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

(b) Operating Leases – Income

- a) The group has various operating leases for office premises. All such leases are renewable on a periodic basis and cancelable at its option. Rental income for operating leases included in the income statements for the year is Rs. 53.93 Lakhs (Rs.NIL).
- b) These agreements provide for ;
- Increase in rental during the tenure of lease agreement
 - Contain renewal clause
 - Does not contain clause for restriction on sub-leasing
- c) No asset has been given on Finance Lease during the year.

4. Share Capital :

During the year, the Company has collected Rs.20.14 Lakhs towards Equity Share Capital and 257.98 Lakhs towards Securities Premium, against allotment of 2,01,409 Equity shares pursuant to exercise of options. The company has issued 1,12,02,640 Bonus shares by capitalizing Rs. 1,001.53 Lakhs from Securities Premium and Rs.118.73 Lakhs from the Profit & Loss Account.

5. Securities in respect of Secured Loans:

- i) Term loans from Banks / Institutions are secured by mortgage of certain movable properties of the Company, personal guarantees of promoters and pledge of share of the company held by Promoters. Cash credit facility is secured by the hypothecation of book debts and stocks and movable assets of the Company. Vehicle loans are secured by hypothecation of relative motor vehicles.
- ii) The group had issued 1,26,000, 9% Non Convertible Redeemable debentures of face value of Rs.100/- (date of allotment of Debentures: February 28, 2005 and date of creation of Debenture Trust Deed: May 27, 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 the Outstanding Debentures amounting to Rs. 42 Lakhs (Rs.42 Lakhs).

6. The Deferred tax liability / asset as at March 31, 2010 comprises the following:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2010	As at March 31, 2009
<u>Deferred Tax Liability on account of:</u>		
Depreciation	1,141.19	557.03
<u>Deferred Tax Asset on account of:</u>		
Deferrals / Disallowances under Income-Tax Act, 1961.	(24.22)	(8.76)
Net Deferred Tax Liability	1,116.97	548.27

Significant Accounting Policies and Notes to Consolidated Accounts

7. 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")

GTL:

- i) Mr. Annand Sarnaik- Chairman & Managing Director
- ii) Mrs. Divvyani A. Sarnaik- Executive Director

CSL:

- i. Mr. Vishwas Mahajan - Director & Chief Executive Officer
- ii. Mr. Uday Kothari - Director & Chief Technology Officer
- iii. Mr. Ranjit Thakur - Director & Chief Financial Officer (up to December 15, 2009)

BTL:

- Mr. Shantanu Roj - Director

b) Relatives of KMP

GTL

- i) Mr. Nikhil Sarnaik - Brother of Mr. Annand Sarnaik
- ii) Dr. Archana Sangamnerkar - Sister of Mr. Annand Sarnaik
- iii) Dr. Nitin Sangamnerkar - Brother-in-law of Mr. Annand Sarnaik
- iv) Mr. N. G. Anil Kumar - Brother of Mrs. Divvyani A. Sarnaik
- v) Mr. N. Lalith Kumar - Brother of Mrs. Divvyani A. Sarnaik

CSL

- i. Mrs. Manisha Kothari - Wife of Mr. Uday Kothari

BTL

- i. Mrs. Kavita Roj (Wife of Mr. Shantanu Roj and Alternate Director)

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	205.34	(120.00)	N.A	(N.A.)
Amount received on Current Account during the Year	14.45	(NIL)	NIL	(NIL)
Dividend Paid	296.53	(84.72)	13.07	(3.95)
Balance Receivable/ (Payable)	14.45	(NIL)	NIL	(NIL)

Note:- Transactions in the nature of reimbursement of expenses are not considered for the purpose of above disclosures. Previous year's comparatives have been shown in Brackets below current financial year's figures.

8. 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	2009-2010	2008-2009
Company's Contribution to Provident Fund	66.90	22.07
Company's Contribution to Employees State Insurance Fund	10.63	2.22

Significant Accounting Policies and Notes to Consolidated Accounts

b) Defined Benefit Plan:

Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

(Rs. In lakhs)

Particulars	2009-10	2008-09
Defined Benefit Obligation at the beginning of the financial year	37.12	11.64
Current Service Cost	12.49	3.91
Interest Cost	2.93	1.24
Actuarial (gain) / loss	(0.87)	(1.59)
Benefits Paid	(8.59)	NIL
Defined Benefit Obligation at the year end	43.48	15.21

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

(Rs. In lakhs)

Particulars	2009-10	2008-09
Current Service Cost	12.49	3.91
Interest Cost	2.93	1.24
Expected Return on Plan assets	(3.67)	N.A.
Actuarial (gain) / loss	0.35	(1.59)
Expense recognised in the Profit and Loss Account	12.10	3.56

(d) Actuarial Assumptions:

(Rs. In lakhs)

Particulars in respect of Gratuity (non-funded)	2009-10	2008-09
Discount Rate (per annum)	8.00%	7.75%
Expected Rate of Return on Plan assets (per annum)	8.00%	N.A.
Salary Escalation (per annum)	5.00%	5.00%

9. Sundry Debtors and Loans and Advances are unsecured but considered good except otherwise stated, for which the company holds no security other than personal security of respective parties. The Bad debts written off and provision for doubtful debts debited to Profit & Loss Account relate to such items debited by CSL in its books of Accounts. Other Liabilities include payable to a Director on Current Account Rs. 14.45 Lakhs (Rs. NIL).
10. 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
11. During the financial year as the group has not entered into Derivative transactions and hence the disclosures regarding the same have not been made.

12. 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 Infrastructure Management Services – It represents Technology Integration and Technology Infrastructure Management Services. Technology Integration activities include technology management services, turnkey solutions for technology deployment, 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.
- ii. Software Services- representing charges for development of software for customer and sales of licenses of software and others products.

Significant Accounting Policies and Notes to Consolidated Accounts

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

(Rupees In Lakhs)

Sr. No.	Particulars	Reportable Business Segments		Total
		Technology Infrastructure Management Services	Software Services	
1	Segment Revenue			
	-Product & Services	63,762.98	11,163.89	74,926.87
		(38,706.47)	(11,395.87)	(50,102.34)
2	Segment Results	14,721.42	3,058.43	17,779.85
		(8,297.66)	(3,411.79)	(11,709.45)
3	Unallocable Income			(632.60)
				(1,005.79)
4	Unallocable Expenses			2,761.83
				(2,142.56)
5	Operating Profit			14,385.42
				(10,572.68)
6	Finance Charges			1,388.69
				(764.68)
7	Net Profit before tax			12,996.74
				(9,808.00)
8	Provision for Tax			
	Add - Adjustment on account of Alignment in Accounting Policy			325.91
				(Nil)
	- Current Tax			2,570.72
				(1,843.91)
	- Wealth Tax			0.22
				(0.04)
	- Fringe Benefit Tax			30.60
				(33.91)
	- Deferred Tax			685.17
				(145.42)
9	Net Profit after Tax before Minority Interest			10,035.94
				(7,784.72)
10	Net Profit after Tax and Minority Interest			10,000.05
				(7,779.97)

Significant Accounting Policies and Notes to Consolidated Accounts

Other Information

(Rupees In Lakhs)

Sr. No.	Particulars	Reportable Business Segments		Total
		Technology Infrastructure Management Services	Software Services	
11	Segment Assets	27,644.83 (13,882.38)	9,789.96 (6,058.93)	37,434.79 (19,941.31)
12	Unallocable Assets	-	-	11,220.45 (12,056.78)
13	Total Assets			48,655.24 (31,998.09)
14	Segment Liabilities	3,107.14 (882.59)	687.36 (493.35)	3,794.49 (1,375.94)
15	Unallocable Liabilities	-	-	15,337.58 (14,502.85)
16	Total Liabilities			- 19,132.08 (15,878.79)
17	Capital Expenditure incurred during the year	2,422.54 (1,328.44)	782.66 (570.99)	3,205.20 (1,899.43)
18	Depreciation	1,022.90 (481.59)	155.67 (336.17)	1,178.57 (817.76)

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

Sr. No.	Particulars	India	Rest of the World	Total
1	Segment Revenue	59,143.01 (37,349.00)	15,783.86 (12,753.34)	74,926.87 (50,102.34)
2	Segment Assets	33,743.28 (20,241.64)	14,911.96 (11,756.45)	48,655.24 (31,998.09)
3	Segment Liabilities	16,245.72 (3,148.74)	2,886.36 (2,112.46)	19,132.08 (5,261.20)

Note: Amounts in Bracket represent previous year's figures

13. Earning per share (EPS)

Particulars		2009-2010	2008-2009
Net Profit as per Profit & Loss Account (A)	Rs. In Lakhs	10,000.05	7,779.97
Add: Amortisation of employee compensation cost (as per intrinsic Value Method) recognised in the accounts	Rs. In Lakhs	-	-
Less: Amortisation of employee compensation cost (as per Fair Value Method) not recognised in the accounts	Rs. In Lakhs	(201.94)	(174.41)
Net Profit for the period (as adjusted) Attributable to Equity share holders (B)	Rs. In Lakhs	9,480.46	7,200.50
Weighted Average No. of Equity Shares Outstanding during the year (Before adjusting the dilutive potential equity shares but including Shares to be issued under the Scheme) (C)	Nos.	2,44,25,963	22,238,588

Number of stock options outstanding as on the balance sheet date.	Nos.	3,89,840	471,893
Number of Equity Shares to be issued against CCPS	Nos.	2,19,454	-
Total Number of Dilutive potential equity shares outstanding during the year (D)	Nos.	6,09,294	471,893
Total Weighted Average Number of equity shares for calculation of Diluted EPS (E = C + D)	Nos.	25,035,257	22,710,481
Nominal Value of Equity Shares	Rs.	10	10
Basic EPS As Reported (A/C)	Rs.	40.94	34.98
Basic EPS As Adjusted (B/C)	Rs.	40.11	34.20
Diluted EPS As Reported (A/E)	Rs.	39.94	34.26
Diluted EPS As Adjusted (B/E)	Rs.	39.14	33.49

14. Contingent Liabilities and commitments not provided for:

(Rs. in Lakhs)

Particulars	As at March 31, 2010	As at March 31, 2009
a. Unexpired Letters of Credit	NIL	320.50
b. Guarantees issued by bankers against company's counter guarantee.	1,844.49	1,303.4
c. Capital Commitments in respect of Capital-work-in-progress (net of advances paid)	227.75	5,442.51
e) Claims Against the company not acknowledged	84.54	-
Total	2,156.78	7,066.41

- 15.** Notes of 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 companies. Recognising this purpose, the company has disclosed only such Notes from the individual Financial Statements, which fairly present the needed disclosure. Practical considerations made it desirable to exclude Notes to Financial Statements, which in the opinion of the management could be better viewed, when referred from the individual financial statements of the Company. Notes referred to in these Financial Statements are references to the Notes to the independent Financial Statements of the Company.
- 16.** (a) The Previous year's figures have been regrouped, reclassified and recast wherever required. Figures in bracket indicate previous year's figures.
- (b) Consequent upon acquisition / incorporation of subsidiaries, the figures of the current year are not comparable with those of previous years.

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director
Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Statement relating to Subsidiary Companies as on March 31, 2010

(Rs. In Lakhs)

Name of the Subsidiary Company	Smaartech Technologies Pvt. Limited	Glodyne Peoplepower Limited	Glodyne Technoserve Inc.	Glodyne Technoserve East Inc.	Front Office Technologies Inc.
Issued & Subscribed Share Capital	460.00	420.00	650.92	1.13	0.45
Preferred Stock	NIL	NIL	2426.90	NIL	NIL
Reserves	3.06	107.96	480.41	1156.85	368.43
Total Assets	3674.60	628.34	9982.59	2309.99	900.62
Total Liabilities	3211.54	100.38	6424.36	1152.01	531.74
Investments	NIL	NIL	3651.83	NIL	NIL
Turnover	121.39	540.62	4,136.53	2,450.93	1,055.92
Profit / Loss before Taxation	20.17	125.19	219.16	171.60	136.58
Provision for taxation	17.11	35.47	56.16	44.60	34.51
Profit / Loss after Taxation	3.06	89.72	163.00	127.00	102.07
Proposed Dividend	NIL	NIL	NIL	NIL	NIL

Glodyne Technoserve Singapore Pte. Ltd.

Directors' Report

The Directors present the Annual Report together with Financial Accounts of the Company for the year ended March 31, 2010.

Financial Results

(INR In Lakhs)

Particulars	Year ended 31.03.2010
(a) Total Revenue	-
(b) Total Expenses	0.48
(c) Net Income/(Loss) = (a) –(b)	(0.48)

Dividend

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

Holding Company

The Company is the subsidiary Company of Glodyne Technoserve Limited.

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. Ltd.**

Sd/-
Annand Sarnaik
 Director
 Date :

Profit & Loss Account for the Year Ended March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010
I. INCOME:	
Income From Operations	-
Total	-
II. EXPENDITURE:	
Administrative Expenses	0.48
Total	0.48
Profit/(Loss) Before Taxation	(0.48)
Less: Provision For Taxation	-
Profit/(Loss) After Taxation	(0.48)

Balance Sheet as at March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. SOURCES OF FUNDS:		
Shareholder's Funds		
Share Capital	0.003	0.003
Loan Funds		
Loan from Holding Company	2.83	2.93
Total	<u>2.83</u>	<u>2.93</u>
II. APPLICATION OF FUNDS:		
Current Assets, Loans And Advances		
Deposits	0.96	1.00
	<u>0.96</u>	<u>1.00</u>
Less:		
Current Liabilities And Provisions		
Current Liabilities	0.48	-
Net Current Assets	<u>0.48</u>	<u>1.00</u>
Profit and loss account	2.35	1.93
Total	<u>2.83</u>	<u>2.93</u>

For and on behalf of the Board of Directors

Sd/-
Annand Sarnaik
Director

Date : November 15, 2010

Compulink USA Inc.

Directors' Report

The Directors present the Annual Report together with Financial Accounts of the Company for the year ended March 31, 2010.

Financial Results

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
(a) Total Revenue	74.83	60.28
(b) Total Expenses	59.67	158.15
(c) Net Income/(Loss) = (a) –(b)	15.16	(97.87)

Dividend

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

Directors

Mr. Vishwas Mahajan is the President and Mr. Uday Kothari is the Director of your Company.

Holding Company

The Company is the subsidiary Company of Compulink Systems Limited, India..

Acknowledgements

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

For **Compulink USA Inc.**

Sd/-

Vishwas Mahajan

Director

Date: May 28, 2010

Profit and Loss Account for the Year Ended on March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. INCOME:		
Income from operation	74.83	60.28
Total	<u>74.83</u>	<u>60.28</u>
II. EXPENDITURE:		
Purchases	2.36	13.72
Personnel	40.21	73.59
Finance cost	0.14	0.22
Administrative Expenses	14.48	68.15
Depreciation	2.48	2.48
Total	<u>59.67</u>	<u>158.15</u>
PROFIT/(LOSS) BEFORE TAXATION	15.16	(97.87)
Less: Provision For Taxation	-	-
PROFIT/(LOSS) AFTER TAXATION	15.16	(97.87)

Balance Sheet as at March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. SOURCES OF FUNDS:		
Shareholder's Funds		
Share Capital	247.48	247.48
Translation Reserve	-	-
Total	<u>247.48</u>	<u>247.48</u>
II. APPLICATION OF FUNDS:		
Fixed Assets		
Gross Block	-	6.16
Less: Depreciation	-	6.16
Net Block	-	(0.00)
Current Assets, Loans And Advances		
Sundry Debtors	4.92	8.15
Cash and Bank Balances	2.69	2.33
Loans and Advances	2.70	8.25
	<u>10.31</u>	<u>18.73</u>
Less:		
Current Liabilities And Provisions		
Current Liabilities	84.62	110.29
Net Current Assets	<u>(74.31)</u>	<u>(91.56)</u>
Profit And Loss Account	<u>321.80</u>	<u>339.04</u>
Total	<u>247.48</u>	<u>247.48</u>

For and on behalf of the Board of Directors

Sd/-

Vishwas Mahajan
Director

Date : May 28, 2010

Compulink Software Pte. Ltd.

Directors' Report

The Directors present the Annual Report together with Financial Accounts of the Company for the year ended March 31, 2010.

Financial Results

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
(a) Total Revenue	(0.58)	(3.03)
(b) Total Expenses	104.25	136.49
(c) Net Income/(Loss) = (a) –(b)	(104.83)	(139.2)

Dividend

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

Director

Mr. Vishwas Mahajan is the Director of your Company.

Holding Company

The Company is the subsidiary Company of Compulink Systems Limited.

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 **Compulink Software Pte. Ltd.**

Sd/-

Vishwas Mahajan

Director

Date: May 28, 2010

Profit & Loss Account for the Year Ended March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. INCOME:		
Income From Operations	-	-
Other Income	(0.58)	(3.03)
Total	<u>(0.58)</u>	<u>(3.03)</u>
II. EXPENDITURE:		
Personnel	76.24	93.13
Finance cost	0.21	0.21
Administrative Expenses	27.22	43.15
Depreciation	0.58	-
Total	<u>104.25</u>	<u>136.49</u>
Profit/(Loss) Before Taxation	(104.83)	(139.52)
Less: Provision For Taxation	-	-
Profit/(Loss) After Taxation	(104.83)	(139.52)

Balance Sheet as at March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. SOURCES OF FUNDS:		
Shareholder's Funds		
Share Capital	399.90	292.87
Translation Reserve	-	-
Total	399.90	292.87
II. APPLICATION OF FUNDS:		
Fixed Assets		
Gross Block	1.79	1.79
Less: Depreciation	1.22	0.64
Net Block	0.57	1.15
Current Assets, Loans And Advances		
Cash and Bank Balances	0.68	1.97
Loans and Advances	1.52	3.15
	2.20	5.12
Less:		
Current Liabilities And Provisions		
Current Liabilities	21.94	27.63
Net Current Assets	(19.74)	(22.51)
Profit and loss account	419.06	314.21
Total	399.90	292.87

For and on behalf of the Board of Directors

Sd/-

Vishwas Mahajan
Director

Date : May 28, 2010

Compulink Europe Ltd.

Directors' Report

The Directors present the Annual Report together with Financial Accounts of the Company for the year ended March 31, 2010.

Financial Results

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
(a) Total Revenue	1.87	8.43
(b) Total Expenses	1.64	25.76
(c) Net Income/(Loss) = (a) –(b)	0.23	(17.33)

Dividend

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

Director

Mr. Vishwas Mahajan is the Director of your Company.

Holding Company

The Company is the subsidiary Company of Compulink Systems Limited, India.

Acknowledgements

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

For **Compulink Europe Ltd.**

Sd/-

Vishwas Mahajan
Director

Date: May 28, 2010

Profit & Loss Account for the Year Ended March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. INCOME:		
Income from operations	-	-
Other Income	1.87	8.43
Total	<u>1.87</u>	<u>8.43</u>
II. EXPENDITURE:		
Finance cost	0.02	0.01
Administrative Expenses	1.62	25.73
Depreciation	-	0.02
Total	<u>1.64</u>	<u>25.76</u>
Profit/(Loss) Before Taxation	0.23	(17.33)
Less: Provision For Taxation	-	-
Profit/(Loss) After Taxation	0.23	(17.33)

Balance Sheet as at March 31, 2010

(INR In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. SOURCES OF FUNDS:		
Shareholder's Funds		
Share Capital	171.05	171.05
Translation Reserve	-	-
Total	<u>171.05</u>	<u>171.05</u>
II. APPLICATION OF FUNDS:		
Fixed Assets		
Gross Block	-	0.08
Less: Depreciation	-	0.08
Net Block	-	-
Current Assets, Loans And Advances		
Sundry Debtors	-	-
Cash and Bank Balances	0.80	1.22
Loans and Advances	0.08	0.09
	<u>0.88</u>	<u>1.31</u>
Less:		
Current Liabilities And Provisions		
Current Liabilities	27.94	28.60
	<u>27.94</u>	<u>28.60</u>
Net Current Assets	(27.07)	(27.29)
Profit and loss account	198.11	198.34
Total	<u>171.05</u>	<u>171.05</u>

For and on behalf of the Board of Directors

Sd/-

Vishwas Mahajan
Director

Date : May 28, 2010

TO THE MEMBERS OF GLODYNE TECHNOSSERVE LIMITED

1. We have audited the attached Balance Sheet of **GLODYNE TECHNOSSERVE LIMITED** ("the Company") as at 31st March, 2010 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 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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, 2010;
 - 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 N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Sd/-

Nilesh M. Kapadia
Partner

Membership No.033697

Place : Mumbai

Date : November 25, 2010

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) The fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (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 seven subsidiaries covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.7,978.75 Lakhs and the year end balance of these loans was Rs.5,828.23 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) In our opinion and according to information and explanations given to us, the Company has not taken any loan, secured or unsecured from any party covered in the register maintained under Section 301 of the Act. Hence clause 4(iii) sub clauses (f) and (g) of the said order are not applicable.
- (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 Act 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 Act 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 2010 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, Rs. 26.69 Lakhs and Rs. 20.57 Lakhs being disputed Income Tax demands for Assessment Year 2005-06, Assessment Year 2006-07 and Assessment Year 2007-08 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 2010 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 bank in respect of loan taken by 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) According to the information and explanations given to us, the Company has not taken any term loans during the year.
- (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 Act.
- (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 N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Sd/-
Nilesh M. Kapadia
Partner
Membership No. 33697

Place: Mumbai
Date : November 25, 2010

Balance Sheet as at March 31, 2010

(Rupees in Lakhs)

Particulars	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	2,251.33		1,110.92	
Share Suspense Account <i>(Refer Note No.B 1(b)(iv) of Schedule "L")</i>		277.96		-	
Reserves and Surplus	B	23,685.52		13,336.18	
Securities Premium Suspense Account <i>(Refer Note B-1 of Schedule 'L')</i>		2,401.33	28,616.14	-	14,447.10
Loan Funds					
Secured Loans	C	8,356.12		6,657.31	
Unsecured Loans		56.80	8,412.92	-	6,657.31
Deferred Tax Liability			1,112.24		541.76
TOTAL			38,141.30		21,646.17
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	D	12,556.76		4,721.21	
Less:- Depreciation		(3,583.23)		(1,274.64)	
Net Block		8,973.53		3,446.57	
Capital Work in progress		273.22	9,246.75	78.26	3,524.83
Investments	E		4,450.60		3,628.55
Current Assets, Loans & Advances					
Inventories	F	446.81		572.26	
Sundry Debtors		15,625.41		10,964.91	
Cash and Bank Balances		3,915.33		102.56	
Loans and Advances		9,799.39		6,009.58	
		29,786.94		17,649.31	
Current Liabilities and Provisions					
Current Liabilities	G	2,096.03		1,088.86	
Provisions		3,246.96		2,067.66	
		5,342.99		3,156.52	
Net Current Assets			24,443.95		14,492.79
TOTAL			38,141.30		21,646.17
Significant Accounting policies and Notes to Accounts					
	L				

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Profit and Loss Account for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Revenue from Operations	H	70,730.76	46,058.32
Other Income (Net)	I	(719.46)	1,018.79
Total		70,011.30	47,077.11
EXPENDITURE			
Operating & Other expenses	J	54,624.20	36,676.61
Finance Charges	K	1,289.54	670.20
Depreciation / Amortisation	D	1,642.20	550.90
Total		57,555.94	37,897.71
Profit before Tax		12,455.36	9,179.40
Add: Adjustment on account of alignment in Accounting Policy (Refer Note B-1(d)(iii) of Schedule 'L')		325.91	-
Less: Provision for Taxation			
Current Taxes [(net of Rs. 18.89 Lakhs towards excess provision of earlier years) (Previous Year Rs. 221.02 Lakhs, being short provision for earlier years)]		(2,381.11)	(1,636.02)
Fringe Benefit Tax [(being short provision for earlier years (Rs. NIL)]		(30.60)	(10.00)
Wealth Tax		(0.22)	(0.04)
Deferred Taxes		(686.94)	(158.42)
Net Profit after Tax		9,682.40	7,374.92
Appropriations :			
Less :Transfer to General Reserve		(1,917.19)	(737.50)
Less :Proposed Dividend		(1,103.70)	(470.51)
Less :Tax on Proposed Dividend		(183.31)	(79.96)
Profit after Appropriation		6,478.20	6,086.95
Add : Balance brought forward		11,404.75	5,317.80
Add: Transfer from Debenture Redemption Reserve		42.00	-
Less : Utilised for Issue of Bonus Shares		(118.73)	-
Balance Carried to Balance Sheet		17,806.22	11,404.75
Significant Accounting policies and Notes to Accounts	L		
Earning per Share - Basic (Rs.)		39.64	33.16
- Diluted		37.87	31.71
<i>[refer Note B-17 of Schedule 'L']</i>			

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Cash Flow Statement for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit before Taxation and extraordinary items	12,455.36	9,179.40
A. Cash Flow from Operating Activities :		
Adjustment for :		
Depreciation /amortisation	1,642.20	550.90
Preliminary Expenses written off	0.12	
Interest and other Finance Charges	1,289.54	670.20
Interest received	(389.84)	(138.56)
Dividend received	(0.56)	(0.002)
Rent Received	(53.93)	-
Profit on Sale of Fixed assets	(0.49)	-
Impairment of Fixed assets	0.30	-
Bad debts written of and Provision for Doubtful debts	149.83	-
Foreign Exchange Fluctuation Loss / (Gain) [unrealised]	84.03	(643.00)
Sundry Balances written back (net)	(89.63)	(4.86)
	2,631.57	434.67
Operating Profit before working capital changes	15,086.93	9,614.07
Adjustment for :		
Decrease / (Increase) in Inventories	125.45	(303.64)
Decrease / (Increase) in Trade & Other Receivables	(5,580.01)	(5,738.73)
(Decrease) / Increase in Trade & Other Payables	536.98	323.71
	(4,917.58)	(5,718.66)
Cash generated from operations	10,169.35	3,895.41
Taxes paid (including Fringe Benefit Tax)	(1,981.94)	(571.94)
Net Cash Flow from Operating Activities	8,187.41	3,323.47
B. Cash Flow from Investing Activities :		
Interest received	389.84	138.56
Dividend received	0.56	0.002
Rent received	53.93	-
Increase in Investments in subsidiaries	(107.03)	(2,789.23)
Loans to Subsidiaries	(1,297.29)	(3,296.83)
Expenses on Amalgamation	(22.97)	
(Increase) / Decrease in fixed deposits (under lien with scheduled banks)	(356.00)	1.80
Increase in fixed assets & Capital Work-in Progress	(2,970.78)	(1,562.13)
Sale of Fixed Assets	0.71	-
Net Cash from Investment Activities	(4,309.03)	(7,507.82)

Cash Flow Statement for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
C. Cash Flow from Financing Activities :		
Proceeds from Issue of Equity Shares (including Securities Premium)	278.13	89.51
Proceeds/ (Repayment) of Secured loans (net)	1,279.98	5,661.15
Proceeds/ (Repayment) of Unsecured loans	(526.86)	(692.00)
Interest and other Finance Charges	(1,289.54)	(670.20)
Dividend paid (including Dividend Tax)	(549.01)	(154.73)
Net Cash from from Financing Activities	(807.30)	4,233.73
Net (Decrease)/Increase in cash and cash equivalent	3,071.08	49.38
Cash and cash equivalent at the beginning of the year	73.12	23.74
Add:- Addition on Account of Amalgamation	385.68	-
Cash and cash equivalent at the end of year	3,529.88	73.12
Fixed Deposits held by Scheduled banks under lien	385.45	29.44
Cash and cash equivalent at the end of year (as per Schedule F)	3,915.33	102.56

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Schedules attached to and forming part of the accounts for the year ended March 31, 2010

	(Rupees In Lakhs)	
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED:		
3,20,00,000 (2,00,00,000) Equity Shares of Rs. 10/- each	3,200.00	2,000.00
50,00,000 (50,00,000) Preference Shares of Rs. 10/- each (Refer Note B-1(d)(i) of Schedule 'L')	500.00	500.00
	<u>3,700.00</u>	<u>2,500.00</u>
ISSUED, SUBSCRIBED AND PAID UP:		
2,25,13,272 (1,11,09,223) Equity Shares of Rs. 10 each fully paid up (Refer note B-8 of Schedule 'L')	2,251.33	1,110.92
<i>Of the above:</i>		
1,45,94,346 (33,91,706) Equity Shares of Rs. 10/- each were allotted as Bonus Shares (Refer Note B-1(d)(i) of Schedule 'L') by way of capitalisation of General Reserve, balance in Profit and Loss Account and Securities Premium Account		
SCHEDULE 'B' - RESERVES AND SURPLUS		
(A) Securities Premium		
Opening balance	1,001.53	846.05
Additions on Issue of Shares (Refer note B-8 of Schedule 'L')	257.98	155.48
Additions on Amalgamation (Refer Note No. B-1 of Schedule 'L')	1,843.23	-
Less :Share Issue expenses written off	(46.83)	-
Less: Utilised for Issue of Bonus Shares	<u>(1,001.53)</u>	-
Closing balance	2,054.38	1,001.53
(B) Capital Reserve		
Opening Balance	-	-
Additions on account of Amalgamation (Refer note B-1 of Schedule 'L')	984.08	-
Less :Expenditure incurred on Amalgamation	<u>(22.97)</u>	-
Closing balance	961.11	-
(C) Debenture Redemption Reserve		
Opening Balance	42.00	42.00
Less: Transferred to Profit and Loss Account	<u>(42.00)</u>	-
Closing balance	-	42.00
(D) General Reserve		
Opening Balance	887.90	150.40
Add: Additions on account of Amalgamation (Refer note B-1 of Schedule 'L')	11.20	-
Add:- Transferred from Profit and Loss Account	<u>1,917.19</u>	737.50
Closing balance	2,816.29	887.90
(E) Profit and Loss Account		
	17,806.22	-
Add: Additions on account of Amalgamation (Refer note B-1 of Schedule 'L')	<u>47.52</u>	-
Closing Balance	17,853.74	11,404.75
Total	<u>23,685.52</u>	<u>13,336.18</u>

Schedules attached to and forming part of the accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C' LOAN FUNDS		
Secured Loans		
<i>(refer Note B-9 of Schedule 'L')</i>		
From Banks		
Cash Credit & Other working capital facilities	7,764.57	5,632.02
Working Capital Term Loans	491.77	913.19
Other Term Loans from Banks	22.89	-
Vehicle loans	76.89	70.10
<i>(Amount due within one year in respect of above loans Rs.389.89 Lakhs (Rs.416.49 Lakhs)</i>	8,356.12	6,615.31
Debentures		
9% Secured Non-Convertible Redeemable Debentures issued to Wipro Limited	42.00	84.00
Less: Redeemed during the year	(42.00)	(42.00) 42.00
Total Secured Loans	8,356.12	6,657.31
Unsecured Loans		
Short Term Unsecured Loan from a Scheduled Bank	13.07	-
Inter Corporate Deposits	43.73	-
Total	8,412.92	6,657.31
SCHEDULE 'E' INVESTMENTS		
Long Term Investments (at Cost)		
Trade Investments (Unquoted - Fully Paid Up)		
(a) 25,20,000 (25,20,000) Equity Shares of Glodyne Peoplepower Limited - A Subsidiary Company [Face Value per share: Rs.10/- each] [Out of the above 93,718 (93,718) Equity Shares were received as Bonus]	354.60	354.60
(b) 45,97,600 (45,97,600) Equity Shares of Smaartech Technologies Private Limited A Subsidiary Company [Face Value per share: Rs.10/- each]	459.76	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 (1,29,033) Preferred Stock of Glodyne Technoserve Inc. USA - A wholly owned subsidiary [Total investment value USD 53,76,390 (USD 53,76,390)]	2,175.29	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

Schedules attached to and forming part of the accounts for the year ended March 31, 2010

(Rupees In Lakhs)		
Particulars	As at 31.03.2010	As at 31.03.2009
(f) 2,11,740 (NIL) Equity Shares of Compulink Europe Limited, U.K. - A Wholly Owned Subsidiary [Total Investment Value GBP 2,11,740]	171.05	-
(g) 5,51,482 (NIL) Equity Shares of Compulink USA Inc.,USA A Wholly Owned Subsidiary [Total Investment Value USD 5,51,482]	247.48	-
(h) 13,01,500 (NIL) Equity shares of Compulink Software Pte Ltd., Singapore A Wholly Owned Subsidiary [Total Investment Value SGD 13,01,500] <i>(Note: In respect of item nos. (f), (g) and (h), refer Note no. B(1)(b) (vi) of Scheule "L")</i>	399.90	-
(i) 2,600 (100) Equity Shares of Saraswat Co-operative Bank Ltd. [Face Value per share: Rs.10/- each]	0.26	0.01
(j) 16,845 (NIL) Shares of Cosmos Co- operative Bank Limited [Face Value per share: Rs.20/- each]	3.37	-
Total	4,450.60	3,628.55
SCHEDULE 'F' CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
1. INVENTORIES		
<i>(As taken , valued and certified by the Management)</i>		
<u>Goods for Resale</u>		
Computer Equipments, Peripherals and Softwares	446.81	572.26
2. SUNDRY DEBTORS : (Unsecured)		
<u>Outstanding for over six months</u>		
-Considered Good	484.96	1,170.30
-Considered Doubtful	122.18	-
	607.14	1,170.30
<u>Others</u>		
-Considered Good	15,140.45	9,794.61
-Considered Doubtful	-	-
	15,140.45	9,794.61
<i>[including Rs. 2636.97 Lakhs (Rs. 4483.99 Lakhs) due from Subsidiaries]</i>		
Less : Provision for Doubtful Debts	(122.18)	-
	15,625.41	10,964.91
3. CASH AND BANK BALANCES		
-Cash on Hand	19.25	3.89
-Cheques in transit	49.80	
<u>Balances with Scheduled Banks</u>		
(i) In Deposit Accounts <i>[Rs. 385.44 Lakhs(Rs. 294.41Lakhs) held under lien by Scheduled banks]</i>	2,814.81	29.44
(ii) In Current Accounts	1,014.70	67.75

Schedules attached to and forming part of the accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	As at 31.03.2010		As at 31.03.2009	
(iii) In Dividend Account	2.41		1.48	
(iv) In Exchange Earners' Foreign Currency Account	14.36	3,915.33	-	102.56
LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
(i) Loans and Advances to Subsidiaries	5,828.23		4,530.94	
(ii) Advances to Suppliers	2,229.18		935.66	
(iii) Advances to Staff	227.06		55.68	
(iv) Advances recoverable in cash or in kind or for value to be received	860.36		25.24	
(v) Deposits	638.29		459.95	
<i>(including to Rs. 185.Lakhs (Rs. 185 Lakhs) to a subsidiary)</i>				
(vi) Other Current Assets	16.27	9,799.39	2.11	6,009.58
Total		29786.94		17649.31
SCHEDULE 'G' CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES :				
(i) Sundry Creditors for goods, services and expenses				
-Due to Micro and Small Enterprises	-		0.08	
-Others	1,635.08		1,004.57	
<i>(refer Note B-16 of Schedule "L")</i>	-		-	
(ii) Dues to Subsidiaries	0.48		4.49	
(iii) Advances from Customers	223.40		2.97	
(iv) Unclaimed Dividend *	2.41		0.94	
<i>[* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund]</i>				
(v) Deposits	10.05		-	
(vii) Other Liabilities	224.61	2,096.03	75.81	1,088.86
PROVISIONS :				
For Staff Retirement Benefits	38.57		25.79	
For Proposed Dividend	1,103.70		470.51	
For Tax On Dividend	183.31		79.96	
For Income Tax (including Fringe Benefit Tax) [net of relative payments, if any]	1,921.38	3,246.96	1,491.40	2,067.66
Total		5342.99		3156.52
SCHEDULE 'H' REVENUE FROM OPERATIONS				
Technology IMS	60,525.02		37,037.81	
Software Services	10,205.74		9,020.51	
Total		70,730.76		46,058.32

Schedules attached to and forming part of the accounts for the year ended March 31, 2010

(Rupees In Lakhs)				
Particulars	As at 31.03.2010		As at 31.03.2009	
SCHEDULE 'I' OTHER INCOME (NET)				
Interest received - Gross	389.84		138.56	
<i>(including Rs. 314.78 Lakhs (Rs.135.83 Lakhs) from Subsidiaries (Tax deducted at Sources Rs. 32.51 Lakhs (Rs.23.76 Lakhs)</i>				
Dividend	0.56		0.002	
Rent	53.93		-	
Foreign Exchange Fluctuation Gain / (Loss) [net]	(1,254.68)		875.29	
Profit on Sale of Assets	0.49		-	
Sundry Balances written back (net)	89.63		4.86	
Miscellaneous Income	0.77		0.07	
Total		(719.46)		1,018.79
SCHEDULE 'J' OPERATING & OTHER EXPENSES				
Material Cost, Software Development, Contract & Service Charges		45,107.06		31,654.80
Staff Costs				
Salaries, allowances, Incentives & Contractual payments		5,982.78		4,020.65
Contribution to Statutory Funds		60.04		21.70
Staff Welfare		52.05		15.57
Staff Training & Recruitment		29.08	6,123.95	16.29
4,074.21				
Directors' Remuneration				
Salaries and allowances		194.66		117.41
Contribution to Statutory Funds		5.61		2.59
Sitting Fees		1.87	202.14	1.34
<i>(Refer Note B-6 of Schedule 'L')</i>				121.34
Communication Costs		115.64		55.45
Advertisement, Publicity and Business Promotion		36.29		15.55
Legal & Professional Expenses		356.64		104.50
Office Maintenance		65.66		18.20
Travelling & Conveyance		243.62		156.82
Electricity Charges		55.07		28.44
Rent		477.03		331.57
Equipment Lease Rentals		1,413.13		-
Insurance		7.83		4.35
Auditors' Remuneration		15.95		9.45
<i>(Refer Note B -7 of Schedule'L')</i>				
Postage & Courier Charges		13.17		10.54
Printing and Stationery		19.36		12.50
Rates & Taxes		57.14		33.13
Repairs & Maintenance				
-Machineries	11.85	-		-
-Others	38.74	50.59		-

Schedules attached to and forming part of the accounts for the year ended March 31, 2010

(Rupees In Lakhs)

Particulars	As at 31.03.2010	As at 31.03.2009
Donations	0.10	0.11
Vehicle Expenses	14.01	7.97
Commission & Brokerage	74.96	32.08
Impairment of Assets	0.30	-
Bad debts written off	27.65	-
Provision for Doubtful Debts	122.18	-
Membership & Subscription	12.49	2.63
Preliminary Expenses written off	0.12	-
Miscellaneous Expenses	12.12	2.97
Total	<u>54,624.20</u>	<u>36,676.61</u>
SCHEDULE 'K' FINANCE CHARGES		
Interest on Debentures	4.27	7.24
Interest to Banks on Fixed Loans	177.91	111.25
Interest to Banks on Working Capital & Other Facilities	948.13	498.45
Interest to others	51.24	1.29
Bank Charges and Commission	107.99	51.97
Total	<u>1,289.54</u>	<u>670.20</u>

Schedule 'D' - Fixed Assets

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation					Net Block		
	As At April 1, 2009	Additions during the Year	Deductions During the Year	As At March 31, 2010	As At April 1, 2009	Additions on Account of Amalgamation	Reversed on Account of Alignment in account Policy	Depreciation for the Current Year	Depreciation on Deductions	As At March 31, 2010	As At March 31, 2009
Tangible Assets											
Lease Hold Land	-	112.59	-	112.59	-	4.41	(0.56)	1.19	-	5.04	107.55
Lease Hold Premises	48.65	-	-	48.65	7.14	-	-	0.79	-	7.93	40.72
Leasehold Improvements	82.94	-	-	82.94	17.59	-	-	30.16	-	47.75	35.19
Office Premises	6.60	763.31	-	769.91	0.98	147.25	(98.16)	12.55	-	62.62	707.29
Office Equipments	34.76	290.24	-	343.57	6.77	120.12	(65.11)	15.55	-	77.34	266.23
Electrical Installation	-	161.85	-	161.85	-	69.87	(41.70)	7.68	-	35.85	126.00
Furniture & Fixture	273.95	277.42	-	561.11	39.04	156.23	(67.79)	35.35	-	162.84	398.27
Vehicles	115.44	54.28	(6.63)	185.39	16.41	20.57	(7.47)	16.88	(6.42)	39.28	146.10
Computer Systems	2,611.06	691.70	(8.53)	5,536.35	661.09	161.90	(35.46)	(683.55)	(8.22)	1,462.35	4,074.00
Plant & Machineries	-	1.49	-	1.49	-	0.08	-	0.07	-	0.15	1.33
Books	-	1.33	-	1.33	-	1.33	-	-	-	1.33	-
Intangible Assets											
Patents & Copyrights	-	349.51	-	349.51	-	255.69	(0.05)	56.33	-	311.96	37.55
Softwares	1,547.81	88.03	-	2,170.56	525.61	69.99	(9.62)	336.49	-	922.47	1,248.08
Technical Know How	-	-	-	2,231.52	-	-	-	446.30	-	446.30	1,785.21
Current Period	4,721.21	2,791.76	(15.16)	12,556.76	1,274.65	1,006.93	(325.91)	1,642.20	(14.65)	3,583.23	8,973.53
Previous Year	3,031.14	-	-	4,721.21	723.74	-	-	550.99	-	1,274.64	3,446.57

Significant Accounting Policies and Notes to Accounts

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 including providing turnkey solutions for large scale technology projects, technology maintenance and management 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 ("AS") 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 ("ICAI"), 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, 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

Revenues are recorded net off all the applicable taxes.

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

- i. Technology Infrastructure Management Services – This represents Technology Integration and Management Services. Technology Integration activities include Technology Management services, Turnkey Solutions for Technology Deployment, trade, leasing 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 and consultancy thereon. 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 when the Company's right to receive dividend is established.
- iii. Rent Income- Rent on immovable properties is recognised on accrual basis as per the respective agreements with the parties.

(iv) Expenditure

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

(v) Fixed assets, Intangible Assets, Capital Work-in Progress and Depreciation/Amortisation

- 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 including Technical Know how 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. Leasehold land is amortised over the life of the lease.

(vi) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of fixed assets are capitalized for the period until the asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(viii) Investments

Trade Investments are 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.

(ix) 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.

(x) 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.

Investments in overseas subsidiaries are recognised at the relevant exchange rates prevailing on the dates of allotment / investments.

(xi) Preliminary / Share Issue Expenses

Preliminary expenses are charged to the Profit and Loss Account in the year in which incurred. Share issue expenses are adjusted against Securities Premium Account as per Section 78(2) of the Companies Act, 1956.

(xii) 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 Statutory Authorities. 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. In respect of Compulink Systems Limited which merged with the Company during the year, Gratuity benefits are administered by a Trust formed for this purpose through the Group Gratuity Scheme of the Life Insurance Corporation (LIC) of India. In respect of this fund, the adequacy of the accumulated funds available with the LIC has been confirmed on the basis of an actuarial valuation made at the year end and the provision has been made for the shortfall, if any.

(xiii) Accounting for Taxes

Tax expense comprises of Current and Deferred tax. Provision for Current 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.

(xiv) 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.

(xv) Employee Stock Options

(a) During the financial year, the Company has granted 1,44,982 (49,510) 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 2010, 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. 201.94 Lakhs (Rs. 174.41 Lakhs) profits after tax lower by Rs. 201.94 Lakhs (Rs. 174.41 Lakhs) and basic and diluted earnings per share would have been lower by Rs. 0.83 (Rs. 1.58) and Rs. 0.81 (Rs. 1.52) respectively.

(b) Summary of Stock Options:

Particulars	2009-2010		2008-2009	
	No. of stock average	Weighted Options exercise price (Rs.)	No. of stock average	Weighted Options exercise price (Rs.)
Options outstanding at the beginning of the year	4,71,893	N.A.	6,53,982	N.A.
Options granted during the year	1,44,982	N.A.	49,510	N.A.
Options forfeited/lapsed/ cancelled during the year	(81,589)	N.A.	NIL	N.A.
Options exercised during the year	(1,47,413)	188.71	(2,31,599)	74.69
Options outstanding at the end of the year	3,87,873	N.A.	4,71,893	N.A.
Options vested but not exercised at the end of the Year	53,186	N.A.	3,30,864	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.)
15.06.2009	418.25
23.02.2010	478.43
03.03.2010	602.20

(d) Information in respect of Options outstanding as at 31st March 2010:

Exercise price	Number of options	Average remaining life
68.10	74,060	6 months
79.50	79,050	6 months
204.25	51,664	1.5 years
317.90	25,482	1.5 years
257.00	12,635	2.5 years
451.00	52,720	2.5 years
534.51	92,262	2.5 years

(e) The fair value of option granted on November 20, 2006, March 6, 2007, March 28, 2007, September 27, 2007, January 29, 2008, October 30, 2008, July 1, 2009 and July 28, 2009 are Rs. 40.85, Rs. 38.05, Rs. 42.79, Rs. 113.08, Rs. 186.22, Rs. 151.65, Rs. 258.40 and Rs. 306.06 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	20 th November 2006	6 th March 2007	28 th March 2007	27 th September 2007	29 th January 2008	30 th October 2008	1 st July 2009	28 th July 2009
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%	5.01 to 6.48%	4.56 to 6.65%
Expected life	6 months	6 months	6 months	1.5 years	1.5 years	2.5 years	2.5 – 5.5 years	2.5 – 5.5 years
Expected volatility	60.78%	62.81%	62.94%	61.23%	64.47%	72.07%	67.65 to 69.66%	67.47% to 69.71%
Expected dividend yield	1.46%	1.46%	1.46%	1.53%	1.53%	0.82%	0.98%	0.98%
Exercise Price (Rs.)	68.10	79.50	89.95	204.25	317.90	257.00	451.00	534.35
Stock Price as on the date of grant (Rs.)	79.90	78.90	88.80	219.40	349.00	257.00	473.20	561.05

Note : The Company has during the year issued bonus shares. The information given above is based on the pre bonus issue options position and not adjusted to bonus.

Compulink Systems limited has ESOP Schemes, which was administered through Trust route. Upon amalgamation, the shares / underlying option would get extinguished and the erstwhile schemes would not be in effect. Hence, the details of the same have not been provided for.

(xvi) 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.

(xvii) 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.

The EPS for the previous year is restated after adjustment for issue of Bonus Shares during the year.

(xviii) 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.

(xix) 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) Amalgamation:

(a) Schemes of Arrangement and Amalgamation (“the Scheme”) of Glodyne Technoserve Limited [‘GTL’] (“Transferee”) with Compulink Systems Limited [‘CSL’] and Broadlyne Technologies Limited [‘BTL’] (together referred to as the Transferor Companies) had been sanctioned by the High Court of Judicature of Bombay (‘the Court’) with effect from April 1, 2009 (“the Appointed Date”) vide orders dated October 22, 2010 and November 19, 2010 respectively. Authenticated copies of the Orders of the Court sanctioning the Schemes were filed with the Registrar of Companies, Maharashtra on October 30, 2010 and November 24, 2010 respectively (“the effective date”). The impact of the schemes has been given effect in the Financial Statements for 2009-2010.

(b) Scheme with CSL

- i) CSL is principally engaged in the business of Software Development Services, Software Products, Project Management Training and Consultancy thereon.
- ii) The Scheme with CSL is amalgamation in the nature of merger and hence envisages recording of all Assets, Liabilities and Reserves of CSL at book value in the books of GTL and the consideration to be discharged by way of issue of equity shares of GTL. As, a result, the Scheme with CSL has been accounted for under the ‘Pooling of Interest Method’ as prescribed by AS-14 “Accounting for Amalgamations” and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to these accounts and all Assets, Liabilities and Reserves of CSL stands transferred to and vested in GTL with effect from the Appointed Date and have been recorded by GTL at their respective book values as appearing in the books of CSL.
- iii) The Value of Net Assets and the Reserves as on April 1, 2009 of CSL taken over by GTL on Amalgamation are as under:

		(Rs. In Lakhs)
Particulars		Year ended 31.03.2010
Assets		
Fixed Assets (Including Capital work in Progress)		1,330.44
Investments		715.02
Deferred Tax Asset		125.70
Current Assets, Loans & Advances		1,431.20
Miscellaneous Expenditure		46.83
Total of Assets	(a)	3,649.19
Liabilities		
Current Liabilities & Provisions		(418.40)
Secured Loans		(291.92)
Total of Liabilities	(b)	(710.32)
Net Assets acquired on Amalgamation	(c)=(a)-(b)	2,938.87

Transfer of Reserves & Surplus of CSL		
Securities Premium Account		1,843.23
General Reserve		11.20
Profit and Loss Account		47.52
Total Reserves & Surplus	(d)	1,901.95
Remainder, represented by Share capital of CSL	(e)=(c)-(d)	1,036.92
Equity Share Capital to be issued by GTL (credited to Share Suspense Account)	(f)	52.84
Balance transferred to Capital Reserve	(e)-(f)	984.08

- iv) In accordance with the Scheme, 1 (One) Equity Share of Rs. 10/- each fully paid up of GTL is to be issued and allotted for every 19 (Nineteen) Equity Shares of Rs. 10/- each fully paid up held in the CSL having a face of Rs. 10/- each on record date to be fixed. As per the Scheme, 3,31,600 Shares held under the Employee Stock Options Schemes owned by CSL Employee Stock Option Trust stand cancelled and are not eligible for consideration from GTL. As a result, GTL is required to issue 5,28,403 Equity shares of Rs. 10/- each fully paid up aggregating to Rs. 52.84 Lakhs to the shareholders of CSL. Pending allotment, the face value of such shares has been shown under "Share Suspense Account". Further, the Scheme also provides for grant of options in GTL as against the options in CSL held by the employees of CSL. As a result, 1,967 Stock options are to be issued to the employees of CSL by GTL.
- v) Rs. 984.08 Lakhs being the excess in the recorded value of assets in the books of accounts of GTL over the recorded value of liabilities and reserves in the books of accounts of GTL and the face value of new Equity Shares to be issued to the shareholders of CSL under the Scheme has been reflected under "Capital Reserve" in the books of GTL.
- vi) Further, as a result of the Scheme, wholly owned subsidiaries of CSL viz. Compulink USA Inc., Compulink Europe Limited and Compulink Software Pte Ltd., Singapore, have become wholly owned subsidiaries of GTL with effect from the Appointed Date.

(c) Scheme with BTL

- i) BTL is engaged in an Application Service Provider in the Education field.
- ii) The Scheme with BTL is amalgamation in the nature of purchase and hence envisages recording of all Assets and Liabilities of BTL at their respective fair values and the consideration to be discharged in the form of Equity shares and Compulsorily Convertible Preference Shares of GTL. As, a result, the Scheme with BTL has been accounted for under the 'Purchase Method' as prescribed by AS-14 "Accounting for Amalgamations" and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to these accounts and all Assets and Liabilities of BTL stand transferred to and vested in GTL with effect from the Appointed Date and is recorded by GTL at their respective fair values as mandated by the Scheme.

iii) The Value of Net Assets of BTL as on April 1, 2009 taken over by GTL on Amalgamation are as under:

(Rupees In Lakhs)

Particulars		Amount
Assets		
Fixed Assets (including Technical Know how recognized on Amalgamation Rs.2,231.52 Lakhs)		2,737.52
Current Assets , Loans & Advances		761.34
Miscellaneous Expenditure		0.12
Total of Assets	(a)	3,498.98
Current Liabilities & Provisions		
Secured Loans		(152.72)
Unsecured Loans		(126.91)
Deferred Tax Liability		(583.65)
Total of Liabilities	(b)	(872.53)
Net Assets acquired on Amalgamation	(a)-(b)	2,626.45
Equity Share Capital to be issued by GTL (credited to Share Suspense Account)	(c)	150.08
Preference Share Capital to be issued by GTL (credited to Share Suspense Account)	(d)	75.04
Securities Premium on Preference Share capital to be issued by GTL (credited to Securities Premium Suspense Account)	(e)	2,401.33
Total Purchase Consideration [(c)+(d)+(e)]		2,626.45

iv) In accordance with the Scheme, 2 (Two) Equity Shares of Rs. 10/- each fully paid up and 1 (One) Compulsorily Convertible Preference Share ('CCPS') of Rs. 10/- each fully paid up at a premium of Rs. 320/- per share of GTL are to be issued and allotted for every 1 (One) Equity Share of Rs. 10/- each fully paid up held in BTL, on record date to be fixed. As a result, GTL is required to issue and allot new Equity Shares of Rs. 150.08 Lakhs representing 15,00,830 Equity Shares of Rs. 10/- each fully paid up at par and new CCPS of Rs. 75.04 Lakhs representing 7,50,415 CCPS of Rs. 10/- each fully paid up at a premium of Rs. 320 per share amounting to Rs. 2,401.33 Lakhs. The New CCPS, would be considered for the purpose of conversion into fully paid up Equity Shares of GTL as per the terms set out in the Scheme: Pending allotment, the face value of such shares and Securities Premium has been shown under "Share Suspense Account" and "Securities Premium Suspense" Account respectively.

(d) General:

- i) Pursuant to the Scheme with CSL, the authorised share capital of the GTL will stand increased by Rs. 1,500 Lakhs comprising of 1,50,00,000 Equity Shares of Rs. 10/- each. Similarly, the authorised share capital will further stand increased by Rs.100 Lakhs comprising of 10,00,000 Equity Shares of Rs. 10/- each on account of scheme with BTL.
- ii) The Expenses incurred during the financial year on Amalgamations have been adjusted against the Capital Reserve arising on account of the Schemes referred to above.

- iii) During the year, on account of alignment in the accounting policy of providing depreciation from Written Down Value Method (“WDV”) as followed by CSL to Straight Line Method (“SLM”) as followed by GTL, Rs.325.91 Lakhs has been credited to the Profit and Loss Account, being the excess depreciation hitherto charged under the WDV method as compared to the SLM of providing the depreciation. Such difference in Accounting Policies on account of Amalgamation has been adjusted in the Profit and Loss Account as per the Scheme.
- iv) The Financial statements of both the transferor Companies for Financial Year 2009-2010 were duly audited by the respective Auditors of these Companies, and already approved by the respective Board of Directors before the effective date of the Scheme. These statements have been relied upon in giving effect to the Scheme in the books of GTL and have been relied upon by the Auditors of GTL except adjustments relating to the alignment in accounting policies, re-grouping of the figures to bring them in line with the presentation as adopted by GTL.

2) Operating Leases:

A. Operating Lease - Expenses

- a) The Company has various operating leases for office facilities, equipments 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. 1,890.16 Lakhs (Rs. 331.57 Lakhs).
- b) Under these lease agreements, refundable interest free security deposits have been given by the Company (excluding certain Equipment Lease Rental Agreements where no such deposits have been given).
- c) These agreements (Excluding certain Equipment Lease Rental Agreements) 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:

Particulars	(Rs. In Lakhs)	
	2009-2010	2008-2009
• Not later than one year	139.09	288.49
• Later than one year but not more than five years	NIL	120.19
• Later than five years	NIL	NIL

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

B. Operating Leases – Income

- a) The Company has various operating leases for office premises. The Company also has operating lease for equipments to a subsidiary. All such leases are renewable on a periodic basis and cancelable at its option. Rental income for operating leases included in the income statements for the year is Rs. 917.18 Lakhs (Rs. NIL).
- b) These agreements (other than Equipment lease Rental Agreements) provide for ;
- Increase in rental during the tenure of lease agreement
 - Contain renewal clause
 - Does not contain clause for restriction on sub-leasing
- c) No asset has been given on Finance Lease during the year.

3) Earnings in foreign Currency (on accrual basis):

(Rs. in Lakhs)

Particulars	2009-2010	2008-2009
Software Services	1,029.42	818.81
Technology Infrastructure Management Services	10,170.99	7,890.51
Total	11,200.41	8,709.32

4) Expenditure in foreign Currency

(Rs. in Lakhs)

Particulars	2009-2010	2008-2009
Travelling Expenses	9.72	2.72
Membership & Subscriptions	2.44	-
Other Expenses	5.79	-
Total	17.95	2.72

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

(Rs. In Lakhs)

Particulars	2009-2010	2008-2009
Number of Non-resident shareholders	40	25
Number of shares held by them	11,361	9,479
Dividend	0.48	0.11

6) Managerial Remuneration

(Rs. In Lakhs)

Particulars	2009-2010*	2008-2009
Salaries, Allowance etc.	199.73	117.41
Contribution to Provident Fund	5.61	2.59
Total	205.34	120.00

* The above includes remuneration to Directors of CSL & BTL as well, but 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 (excluding Service Tax):

(Rs. In Lakhs)

PARTICULARS	2009-2010*	2008-2009
Audit Fees	11.65	8.00
Tax Audit Fees	2.05	1.00
Taxation Matters	1.00	0.45
Total	14.70	9.45

* Including remuneration to the Auditors of CSL & BTL.

8) Share Capital :

During the year, the Company has collected Rs. 20.14 Lakhs towards Equity Share Capital and Rs. 257.98 Lakhs towards Securities Premium, against allotment of 2,01,409 Equity shares pursuant to exercise of options. The Company has issued 1,12,02,640 Bonus shares by capitalizing Rs. 1,001.53 Lakhs from Securities Premium and Rs.118.73 Lakhs from the Profit & Loss Account.

9) Securities in respect of Secured Loans:

- i) Term loans from Banks / Institutions are secured by mortgage of certain movable properties of the Company, personal guarantees of promoters and pledge of share of the company held by Promoters. Cash credit facility is secured by the hypothecation of book debts and stocks and movable assets of the Company. Vehicle loans are secured by hypothecation of relative 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: February 28, 2005 and date of creation of Debenture Trust Deed: May 27, 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 Promoters of the Company. During the year, the Company has redeemed the Outstanding Debentures amounting to Rs. 42 Lakhs (Rs.42 Lakhs).

10) The Deferred tax liability / asset as at March 31, 2010 comprises the following:

(Rs. in Lakhs)

Particulars	As at 31.3. 2010	As at 31.3. 2009
<u>Deferred Tax Liability on account of:</u>		
Depreciation	1,125.05	550.53
<u>Deferred Tax Asset on account of:</u>		
Deferrals/ Disallowances under Income-Tax Act, 1961	(12.81)	(8.77)
Deferred Tax Liability (Net)	1,112.24	541.76

11) Related Party Transactions:

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

List of related parties and Relationship:

a) Subsidiary Companies-Country of Incorporation

- i. Glodyne Peoplepower Limited - India
- ii. Smaartech Technologies Private. Limited - India
- iii. Glodyne Technoserve Inc. - U.S.A.
- iv. Glodyne Technoserve Singapore Pte. Ltd. – Singapore
- v. Glodyne Technoserve (East) Inc.-U.S.A.. (Subsidiary of Glodyne Technoserve Inc.-U.S.A)
- vi. Front Office Technologies Inc.-U.S.A. (Subsidiary of Glodyne Technoserve Inc.-U.S.A.)
- vii. Compulink USA Inc - USA
- viii. Compulink Europe Limited – U.K.
- ix. Compulink Software Pte Ltd - Singapore

b) Key Management Personnel ("KMP")

GTL

- i. Mr. Annand Sarnaik - Chairman & Managing Director
- ii. Mrs. Divyani A. Sarnaik - Executive Director

CSL

- i. Mr. Vishwas Mahajan - Director & Chief Executive Officer
- ii. Mr. Uday Kothari - Director & Chief Technology Officer
- iii. Mr. Ranjit Thakur - Director & Chief Financial Officer (up to December 15, 2009)

BTL

Mr. Shantanu Rooj - Director

c) Relatives of KMP**GTL**

- i. Mr. Nikhil Sarnaik-Brother of Mr. Annand Sarnaik
- ii. Dr. Archana Sangamnerkar-Sister of Mr. Annand Sarnaik
- iii. Dr. Nitin Sangamnerkar-Brother-in-law of Mr. Annand Sarnaik
- iv. Mr. N. G. Anil Kumar-Brother of Mrs. Divvyani A. Sarnaik
- v. Mr. N. Lalith Kumar-Brother of Mrs. Divvyani A. Sarnaik

CSL

- i. Mrs. Manisha Kothari - Wife of Mr. Uday Kothari

BTL

Mrs. Kavita Rooj (Wife of Mr. Shantanu Rooj and Alternate Director)

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
Remuneration	N.A. (N.A.)	205.34 (120.00)	15.70 (N.A.)
Loans and Advances given during the year (net)	982.30 (3,235.59)	NIL (NIL)	NIL (NIL)
Loans and Advances received during the year (net)	NIL (85.00)	NIL (NIL)	NIL (NIL)
Amount received on Current Account during the year (Net)	NIL (NIL)	14.45 (NIL)	NIL (NIL)
Investments in Subsidiaries during the year (Including those acquired on Amalgamation) [Refer note B(1)(b)(vi) above]	107.03 (2,789.23)	N.A. (N.A.)	N.A. (N.A.)
Total Investments in Subsidiaries as on Balance sheet date	4,446.97 (3,628.55)	N.A. N.A.	N.A. N.A.
Revenue from Product & Services	3,278.02 (2,950.68)	NIL (NIL)	NIL (NIL)
Services received	105.00 (NIL)	NIL (NIL)	NIL (NIL)
Interest received on Loans	314.78 (135.83)	NIL (NIL)	NIL (NIL)
Interest paid on Loans	NIL (1,28)	NIL (NIL)	NIL (NIL)

Rent paid	1.08 (1.08)	NIL (NIL)	NIL (NIL)
Dividend paid	N.A. (N.A.)	296.53 (84.72)	13.07 (3.95)
Guarantees given by the Company	3,668.45	NIL	NIL
In respect of the loans taken by a Subsidiary Company	(3,548.73)	(NIL)	(NIL)
Balance Receivable / Payable	8,570.30 (6,999.66)	14.45 (NIL)	NIL (NIL)

Note: Transactions in the nature of reimbursement of expenses are not considered for the purpose of above disclosures. 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 except otherwise stated, for which the company holds no security other than personal security of respective parties. The Bad debts written off and provision for doubtful debts debited to Profit & Loss Account relate to such items debited by CSL in its books of Accounts. Other Liabilities include payable to a Director on Current Account Rs. 14.45 Lakhs (Rs. NIL).
- 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:

Particulars	(Rs. In Lakhs)	
	2009-2010	2008-2009
(a) Principal amount and the interest due thereon remaining unpaid to suppliers		
(i) Principal	NIL	0.08
(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, the 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	2009-2010	2008-2009
Company's Contribution to Provident Fund	60.61	22.07
Company's Contribution to Employees State Insurance Fund	10.56	2.22

b) Defined Benefit Plan:

Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

(Rs. In Lakhs)

Particulars	2009-2010	2008-2009
Defined Benefit Obligation at the beginning of the financial year	37.12	11.64
Current Service Cost	11.39	3.91
Interest Cost	2.93	1.24
Actuarial (gain) / loss	(0.87)	(1.59)
Benefits Paid	(8.59)	NIL
Defined Benefit Obligation at the year end	41.98	15.20

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

(Rs. In Lakhs)

Particulars	2009-2010	2008-2009
Current Service Cost	11.39	3.91
Interest Cost	2.93	1.24
Expected Return on Plan assets	(3.67)	N.A.
Actuarial (gain) / loss	0.35	(1.59)
Expense recognised in the Profit and Loss Account	11.00	3.56

vi) Actuarial Assumptions:

(Rs. In Lakhs)

Particulars in respect of Gratuity (non-funded)	2009-2010	2008-2009
Discount Rate (per annum)	8.00%	7.75%
Expected Rate of Return on Plan assets (per annum)	8.00%	N.A.
Salary Escalation (per annum)	5.00%	5.00%

The above information is as certified by the Actuary.

17) Earning per share (EPS)

Particulars		2009-2010	2008-2009
Net Profit as per Profit & Loss Account (A)	Rs. in Lakhs	9,682.40	7,374.92
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	(201.94)	(174.41)
Net Profit for the period (as adjusted) Attributable to Equity share holders (B)	Rs. in Lakhs	9,480.46	7,200.50
Weighted Average No. of Equity Shares Outstanding during the year (Before adjusting the dilutive potential equity shares but including Shares to be issued under the Scheme) (C)	Nos.	24,429,351	22,238,588
Number of stock options outstanding as on the balance sheet date.	Nos.	3,89,840	4,71,893
Number of Equity Shares to be issued against CCPS	Nos.	219,454	-
Total Number of Dilutive potential equity shares outstanding during the year (D)	Nos.	6,09,294	4,71,893
Total Weighted Average Number of equity shares for calculation of Diluted EPS (E = C + D)	Nos.	2,50,35,257	22,710,481
Nominal Value of Equity Shares	Rs.	10	10
Basic EPS as Reported (A/C)	Rs.	39.64	33.16
Basic EPS as Adjusted (B/C)	Rs.	38.81	32.38
Diluted EPS as Reported (A/E)	Rs.	38.68	32.47
Diluted EPS as Adjusted (B/E)	Rs.	37.87	31.71

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:

(Rs. in Lakhs)

Name of the Company	Outstanding Balance as on March 31, 2010	Maximum Outstanding during the year
Glodyne Technoserve Inc. (Refer note 1.)	2,720.33	2,735.77
Glodyne Technoserve Singapore Pte. Limited	2.82	2.82
Glodyne Peoplepower Private Limited	91.86	431.25
Smaartech Technologies Private Limited	2,933.69	47,19.78
Compulink USA Inc.	38.57	43.52
Compulink Europe Limited	27.94	31.83
Compulink Software Pte Limited	13.02	13.67

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

Particulars	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 "Accounting for the Effects of Changes in Foreign Exchange Rates".

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:

Particular	Unit	2009-2010		2008-2009	
		Qty	Rs. In Lakhs	Qty	Rs. In Lakhs
Opening Stock	Nos.	113	572.26	130	268.62
Purchases	Nos.	13,772	12,733.80	9,390	8,644.04
Sales	Nos.	13,775	14,733.21	9,407	9,875.73
Closing Stock	Nos.	110	446.81	113	572.26

Note : In respect of the software development work for various clients based in different geographies, the production and sale of such software cannot be expressed in generic unit. Therefore it is not possible to give the quantitative details of sales and certain information as required under Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

22) Contingent Liabilities and commitments not provided for:

Rs. (In Lakhs)

Particulars	2009-2010	2008-2009
a) Unexpired Letters of Credit	-	95.53
b) Guarantees issued by Bankers against Companies Counter Guarantee	227.09	243.23
c) Capital Commitments in respect of Capital-work-in-Progress (net of advances paid)	180.00	150.00
d) Guarantees given by the company in respect of the loans taken by a subsidiary company	3,668.45	3,548.73
e) Claims against the company not acknowledged debts (As detailed below)	84.54	-
TOTAL	4,160.08	4,037.49

23) The figures as appearing in Notes to Accounts above also include figures of CSL and BTL, wherever applicable. Since the Scheme of Amalgamation, which is effective from 1st April 2009, has been given effect to in these accounts, the figures for the current year to that extent are not comparable with those of the previous year. The figures for the previous year have been regrouped, reclassified and recast wherever required. Figures in bracket indicate previous year's figures.

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director

Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

(Rupees In Lakhs)

Discloser 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	31/03/2010		

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	38,141.30	Total Assets	38,141.30
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Sources of Funds

Paid-up Capital	2,529.29	Reserves & Surplus	26,086.85
Secured Loan	8,356.12	Unsecured Loan	56.80
Deffered Tax Liability	1,112.24		

Application of Funds

Net Fixed Assets	9,246.75	Investment	4,450.60
Net Current Assets	24,443.95		
Misc. Expenses	-		
Accumulated Losses	Nil		

IV. Performance of Company

Turnover	70,730.76	Total Expenditure	57,555.94
Profit/Loss Before Tax	12,455.36	Profit/Loss after Tax	9,682.40
Earning Per Share in Rs.	39.64	Dividend Rate	42%

V. Generic Name of Princiपाल Products/Services of Company

Item Code No.(ITC Code)

Product Description Information Technology

As per our report of even date

For N M Kapadia & Co
Chartered Accountants
FRN : 107072W

Nilesh M. Kapadia
Partner
Membership No.: 33697

Place: Mumbai
Date : November 25, 2010

For and on behalf of the Board

Annand Sarnaik
Chairman
& Managing Director

Divvyani A. Sarnaik
Executive Director
Place: Mumbai
Date : November 25, 2010

Dhiren B. Kothary
Director

Alok Sharma
Director

RSP Sinha
Director

Y. Krishnamurthy
Director

Amit Jaste
Company Secretary

Statement Regarding Subsidiary Companies Pursuant To Section 212 Of The Companies Act, 1956

As on March 31, 2010

(Rs. In Lakhs)

Particulars	Smaartech Technologies Private Limited	Glodyne Peoplepower Limited	Glodyne Technoserve Inc.,	Glodyne Technoserve East Inc.,	Front Office Technologies Inc.
The Company's interest in the subsidiary as on March 31, 2010:					
1) No. of Shares	45,97,600	25,20,000	3,012	5,000	200-
2) Face Value	Rs. 10/-	Rs. 10/-	USD 0.001	USD 1	-
3) Extent of Holding	99.95%	60%	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 31.3.2010:					
1) Not dealt with in the books of accounts of the Holding Company	3.06	53.83	219.16	171.60	136.58
2) Dealt with in the books of accounts of the Holding Company	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	3.06	83.92	584.61	1135.39	375.74
2) Dealt with in the books of accounts of the Holding Company	Nil	Nil	Nil	Nil	Nil

For and on Behalf of the Board

**Sd/-
Annand Sarnaik
Chairman & Managing Director**

Place: Mumbai.
Date : November 25, 2010

Corporate Information

Board Of Directors

Mr. Annand Sarnaik

Mrs. Divvyani A. Sarnaik

Mr. Alok Sharma

Mr. Dhiren B. Kothary

Mr. RSP Sinha

Mr. Y. Krishnamurthy

Chairman & Managing Director

Executive Director

Director

Director

Director

Director

Company Secretary

Mr. Amit Jaste

Bankers

Standard Chartered Bank

ICICI Bank

Corporation Bank

Barclays Bank PLC

State Bank of India

HDFC Bank

Auditors

N M. Kapadia & Co
Chartered Accountants
Mumbai

Registered Office

Mumbai

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

Corporate Office

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

Tel. - + 91 - 22- 6696 3333

Fax - + 91 - 22- 6696 3344

Subsidiary

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.



Glodyne Technoserve Limited

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

Tel :022 - 66963333
Fax:022 - 66963344

Website : www.glodynetechnoserve.com