

Fortune Infotech Ltd.

Contents

Particulars	Page No.
Notice	■ 02-03
Directors' Report	■ 04-05
Auditors' Report	■ 06-07
Balance Sheet	■ 08
Profit & Loss Account	■ 09
Cash Flow Statement	■ 10
Schedules	■ 11-13
Notes to Accounts	■ 13-15
Balance Sheet Abstract and Company's General Business Profile	■ 16

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 13TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE FORTUNE INFOTECH LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. 160/4, OLD CHHANI ROAD, VADODARA-390 024 ON THURSDAY THE 12TH AUGUST, 2010 AT 4.00 P.M. TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vivek Chopra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s K. H. Bhatt & Co., Chartered Accountants, Vadodara as Statutory Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Shri Sanjay Arora, who was appointed as an Additional Director with effect from 31st March, 2010 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 148 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from the Director himself in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 269 and any other applicable provisions, if any of the Companies Act, 1956, including any Statutory modification(s) or re-enactment thereof for the time being in force, (“Act”), read with Schedule XIII thereto, consent of the Company be and is hereby accorded for the appointment of Shri Sanjay Arora as the Managing Director of the company for a period of 5 years with effect from 1st April, 2010 on the terms and conditions set out in the draft Agreement entered into between the Company & Shri Sanjay Arora, which is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of

the said Appointment and/or Agreement in such manner as be agreed to between the Board of Directors and Shri Sanjay Arora.”

By Order of the Board of Directors

Vadodara, 22nd June, 2010

Zankhana Joshi
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The Instrument appointing a Proxy, in order to be effective, must be duly filled, stamped and signed and must reach the Company’s Registered Office not less than 48 hours before the commencement of the Meeting.
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
3. Members desiring information about Accounts at the Meeting are requested to write to the Company at least 5 days prior to the Annual General Meeting.
4. Members are requested to bring their copy of Annual Report to the Meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out the material facts relating to the business mentioned in Item No. 4 & Item No. 5 of the accompanying Notice dated 22nd June, 2010.

ITEM NO: 4

The Board of Directors of the Company at its Meeting held on 26th March, 2010 had appointed Shri Sanjay Arora as an Additional Director of the Company effective from 31st March, 2010 to hold Office. Having been so appointed, Shri Sanjay Arora holds office till the date of the ensuing 13th Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and is eligible for re-appointment.

In terms of Section 257 of the Companies Act, 1956, the Company has received a Notice in writing alongwith a deposit of Rs. 500/- from the Director himself, proposing his candidature for the office of Director of the Company.

The Board considers that his association as Director will be beneficial and in the interest of the Company.

None of the Directors of the Company except Shri Sanjay Arora is, in any way, concerned or interested in the resolution.

The Board of Directors accordingly recommends this resolution for your approval.

ITEM NO: 5

Due to resignation of Shri K. Subrahmaniam, the existing Managing Director of the Company with effect from 31st March, 2010, the Board of Directors of your Company at its meeting held on Thursday, the 26th March, 2010 appointed Shri Sanjay Arora as the Managing Director of the Company for a period of Five years with effect from 1st April, 2010 on the terms and conditions as set out in the draft Agreement entered into between the Company and the Mr. Sanjay Arora, a copy of which (as has also been duly approved by the Board) will be placed before the meeting.

Shri Sanjay Arora is by qualification Mechanical Engineer and is having 22 years experience in the IT industry. Shri Sanjay Arora started his career with Godrej & Boyce as a Programmer. Before joining CSC India in August 2007, he held various leadership positions in Wipro, Infosys, Kurt Salmon Associates and Cognizant. Most recently, he headed delivery for Retail & Hospitality vertical in Cognizant. Prior to that, consulting for KSA, he managed change programs for Retail clients in the US and Japan.

The Board considers that his association as Managing Director will be beneficial and in the interest of the Company.

None of the Directors of the Company except Shri Sanjay Arora is, in any way, concerned or interested in the resolution.

The Board of Directors accordingly recommends this resolution for your approval.

By Order of the Board of Directors

Zankhana Joshi
Company Secretary

Vadodara, 22nd June, 2010

DIRECTORS' REPORT

To,

The Members of Fortune Infotech Limited,

Your Directors have pleasure to present your Company's 13th Annual Report together with the Audited Statement of accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the Financial Year ended 31st March, 2010 is summarized below:

Particulars	(Rs. in Thousand)	
	Year ended on 31 st March, 2010 (12 months)	Year ended on 31 st March, 2009 (12 months)
Income From Operations	974,95	214,370
Other Income	166,12	13,145
Total Income	114,107	227,515
Less: Expenditure	688,72	180,619
Less : Depreciation	138,91	23,121
Profit Before Tax & Extra Ordinary Items	313,44	23,775
Add: Gain on Sale of Business Unit	0	46,177
Profit Before Tax	313,44	69,952
Less: (I) Current Taxation	2,631	6,456
(II) FBT	0	200
Less: Deferred Taxation	(1,121)	9,770
Net Profit After Tax	298,34	535,26
Balance Brought Forward	212,460	158,218
Profit available for Appropriations	242,294	211,744
Less: Prior Period Income Tax payment	148	(716)
Balance carried forward to Balance Sheet	242,146	212,460

During the year under review the Income from operation is Rs. 97.49 million (PY Rs. 214.37 million) and other income amounted to Rs. 16.61 million (PY Rs. 13.14 million); the total income for the year is Rs. 114.11 million (PY Rs. 227.52 million) and total profit for the period amounted to Rs. 29.83 million (PY Profit Rs. 53.53 million).

DIVIDEND

During the year under review the Directors of your Company do not recommend any dividend so as to conserve resources for future expansion and projects.

APPOINTMENT OF DIRECTORS

During the year under review, the Board of Directors of the Company at its meeting held on 26th March, 2010 appointed Shri Sanjay Arora as an additional Director of the Company under the provisions of Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company.

Due to resignation of Shri K. Subrahmaniam, the Managing Director of the Company, at its meeting held on 26th March, 2010 appointed Shri Sanjay Arora as the Managing Director of the Company for a period of 5 Years effective from 1st April, 2010.

RESIGNATION OF DIRECTORS

During the year under review, Shri K. Subrahmaniam, the Managing Director of the Company resigned from the Board of Directors of the Company effective from the closure of business hours of 31st March, 2010.

The Board of Directors of the Company places on record its deep appreciation of the valuable services rendered by Shri K. Subrahmaniam during his tenure as a Managing Director in the Board of the Company.

DIRECTORS—RETIRING BY ROTATION

Pursuant to Article 170 of the Articles of Association of the Company, Shri Vivek Chopra retires by rotation at the ensuing 13th Annual General Meeting and being eligible offers himself for reappointment.

The Board of Directors recommends his re-appointment.

OUTLOOK

The current economic environment has led to new challenges for the BPO industry. Companies large and small, have been impacted by the vagaries of 2009—market volatility, fluctuating global currencies and the uncertain international economic climate. This environment, where customers embraced abstinence and frugality, proved to be tough for IT-BPO companies, who had to re-evaluate their value proposition for clients. The focus of the industry in the last two years was therefore on providing solutions that targeted client pain points more forcefully and provided them with higher value at lower prices.

Your Company through its continued communication and discussion with Clients has remained well conversant with Client needs and will endeavor for providing value added services to its Clients.

FIXED DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits within the meaning of the Companies (Acceptance of Deposits) Rules, 1975.

No amount of principal or interest was outstanding on the date of the balance sheet.

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the year ended on 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- (iii) the Directors had 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 had prepared the annual accounts on a going concern basis.

AUDITOR'S REPORT

To
The Members of
Fortune Infotech Limited

1. We have audited the attached Balance Sheet of Fortune Infotech Limited as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement 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 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 management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) 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 Companies Act, 1956;
 - (v) 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 director 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 Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K.H.Bhatt & Co.
Chartered Accountants

Ketan H Bhatt
Proprietor

Vadodara, 22nd June, 2010

Membership No. : 40652
Registration No. : 101336W

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the period but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Fixed Assets that have been sold/disposed off during the period do not constitute a substantial part of the total assets of the Company. Hence, the going concern concept has not been affected.
- (ii) The Company's nature of operation does not require it to hold inventories. Accordingly, clause 4(ii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (iii) We are informed that the company has not granted and taken unsecured loans to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for purchase of fixed assets. The activities of company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us, there are no contracts or arrangement referred to in Section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that Section.
- (vi) The Company has not accepted any deposits from public. Accordingly clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Govt. has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of services carried out by the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues except as mentioned below of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute.

Sr. No.	Name of the Statute	Nature of dues & Period	Forum where dispute is pending	Disputed Amount (Rs.)	Amount deposited under protest up to 31/03/2010
1	Income Tax Act, 1961	Income Tax A.Y. 02-03	ITAT	318,998	-
2	Income Tax Act, 1961	Income Tax A.Y. 04-05	ITAT	32,77,775	19,96,627
3	Income Tax Act, 1961	Income Tax A.Y. 05-06	ITAT	42,110	42,110

- x) The Company does not have any accumulated loss at the end of the financial period and has not incurred cash losses in the financial period covered by our audit and in the immediately preceding financial period.
- xi) In our opinion and according to information and explanations given to us, the company has neither taken any loans from a financial institution and a bank nor issued any debenture. Accordingly, clause 4(xi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xii) In our opinion and according to information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiv) According to information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xv) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvi) The company has not obtained any term loans. Accordingly, clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvii) The company has not raised any fund. Accordingly, clause 4 (xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures. Accordingly, clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xx) The company has not raised any money by public issue during the period. Accordingly, clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For K.H.Bhatt & Co.
Chartered Accountants

Ketan H. Bhatt
Proprietor
Membership No. : 40652
Registration No. : 101336W

Vadodara, 22nd June, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010.

	Schedules	(Amount in Rs.)	
		31-03-2010 Twelve months	31-03-2009 Twelve months
I. SOURCES OF FUNDS			
I. SHARE HOLDER'S FUNDS			
(a) Share Capital	1	109431000	109431000
(b) Reserves & Surplus	2	380936449	351251016
2. LOAN FUNDS			
(a) Secured Loans		0	0
(b) Unsecured Loans		0	0
3. DEFERRED TAX LIABILITY	3	2146234	3267584
	TOTAL	492513683	463949600
II. APPLICATION OF FUNDS			
I. FIXED ASSETS			
(a) Gross Block	4	124269645	123126714
(b) Less: Depreciation		79973382	66099519
(c) Net Block		44296263	57027195
(d) Capital Work in Progress		0	0
		44296263	57027195
2. INVESTMENTS	5	421016843	357370824
3. CURRENT ASSETS, LOANS & ADVANCES			
(a) Interest Accrued on Investments	6	689632	133845
(b) Sundry Debtors	7	22424589	18781852
(c) Cash & Bank Balances	8	7315261	11950713
(d) Loans & Advances	9	20634201	38902929
		51063683	69769339
LESS : CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	10	9498709	8377032
(b) Provisions	11	14364397	11840726
		23863106	20217758
NET CURRENT ASSETS		27200577	49551581
4. (a) MISCELLANEOUS EXPENDITURE			
To the extent not written-off or adjusted		0	0
(b) Profit & Loss Account Balance		0	0
	TOTAL	492513683	463949600

Significant Accounting Policies and Notes on Accounts 17

The schedules referred to above and the notes thereon form an integral part of the balance sheet.

This is the balance sheet referred to in our report of even date.



For K H Bhatt & Co.,
Chartered Accountants

Ketan H. Bhatt
Proprietor
Membership No. : 40652
Registration No. : 101336VV
Vadodara, 22nd June, 2010

Zankhana Joshi
Company Secretary

For and on behalf of the Board

Sanjay Arora
Managing Director

K S Mohan Ramanathan
Director

Chennai, 22nd June, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Schedules	(Amount in Rs.)	
		31-03-2010 Twelve months	31-03-2009 Twelve months
(I) INCOME			
Income from Operations	12	97495149	214370565
Other Incomes	13	16612145	13145290
TOTAL INCOME		114107294	227515855
(II) EXPENDITURE			
Personnel Expenses	14	48719104	136625931
Data Link Charges	15	665583	6008452
Administrative and Other Expenses	16	19487666	37984863
Depreciation		13891205	23120999
Written off Preliminary & Pre Operative expenses		0	0
TOTAL EXPENDITURE		82763558	203740245
(III) PROFIT			
PROFIT BEFORE TAXATION & EXTRA ORDINARY ITEMS		31343736	23775610
EXTRA ORDINARY ITEM			
Gain on sale of Bangalore Business Unit		0	46176619
PROFIT BEFORE TAXATION		31343736	69952229
Current Taxation		2631624	6455680
Fringe Benefit Tax		0	200093
Deferred Taxation		(1121350)	9770428
PROFIT AFTER TAXATION		29833462	53526028
Balance as per last Balance Sheet		212460391	158217785
PROFIT AVAILABLE FOR APPROPRIATIONS		242293853	211743813
(IV) APPROPRIATIONS			
Prior Period Income Tax Payment		148029	(716578)
Profit & loss account balance of Merged Entity (PPPL)		0	0
Profit & loss account balance of Merged Entity (FIS)		0	0
Balance carried to Balance Sheet		242145823	212460391
TOTAL		242293853	211743813
EARNINGS PER SHARE			
Basic (in Rs.)		2.73	4.89
Diluted (in Rs.)		2.73	4.89
Number of Shares Used in Computing Earnings per Share			
Basic (Equity Share, par value of Rs. 10/- each)		10943100	10943100
Diluted (Equity Share, par value of Rs. 10/- each)		10943100	10943100

Significant Accounting Policies and Notes on Accounts 17

The schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

For K H Bhatt & Co.,
Chartered Accountants

For and on behalf of the Board



Ketan H. Bhatt
Proprietor
Membership No. : 40652
Registration No. : 101336W

Zankhana Joshi
Company Secretary

Sanjay Arora
Managing Director

K S Mohan Ramanathan
Director

Vadodara, 22nd June, 2010

Chennai, 22nd June, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Amount in Rs.)	
	31-03-2010	31-03-2009
	Twelve months	Twelve months
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/Profit before tax	3,13,43,736	6,99,52,229
Adjustments for		
Depreciation and amortisation	1,38,91,205	2,31,20,999
Loss on sale of fixed assets	30,191	39,36,136
Loss on disinvestment of subsidiaries	12,14,841	-
Gain on Sale of Business Unit	-	(4,61,76,619)
Income from Mutual fund	(1,58,65,802)	(1,26,84,843)
Interest income	(7,46,343)	(4,60,447)
Operating cash flows before working capital changes	2,98,67,828	3,76,87,455
(Increase)/Decrease in sundry debtors	(36,42,737)	3,80,43,731
(Increase)/Decrease in loans & advances	2,08,96,649	13,79,316
Increase/(Decrease) in current liabilities and provisions	8,65,695	(48,28,743)
Cash Flows from Operating Activities	4,79,87,435	7,22,81,759
Direct taxes (paid)/Refund	(26,27,922)	(37,09,809)
Net Cash Flows from Operating Activities	4,53,59,513	6,85,71,950
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(12,22,447)	(26,30,262)
Proceeds from sale of fixed assets	31,982	15,87,88,663
Interest received	1,90,557	3,68,076
Income from MF	1,58,65,802	1,26,84,843
Purchase of investment in units of mutual funds	(11,63,30,015)	(33,75,51,759)
Proceeds from sale of units of mutual funds	4,80,79,997	9,84,65,498
Proceeds from disinvestment of Subsidiaries	33,89,159	-
Net cash (used) in investing activities	(4,99,94,965)	(6,98,74,940)
(C) CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase in Cash and Cash Equivalents	(46,35,452)	(13,02,990)
Cash and Cash Equivalents at Beginning of Period	1,19,50,713	1,32,53,703
Cash and Cash Equivalents at End of Period	73,15,261	1,19,50,713
Note :		
Schedule of cash & cash equivalent	2010	2009
Cash in hand	84,583	1,02,628
Cash at bank	72,30,678	1,18,48,085
	73,15,261	1,19,50,713
Notes : The above cashflow statement has been prepared under the indirect method as specified under AS 3		

This is the cash flow statement referred to in our report of even date.

For K H Bhatt & Co.,
Chartered Accountants

For and on behalf of the Board

Ketan H. Bhatt
Proprietor
Membership No. : 40652
Registration No. : 101336W
Vadodara, 22nd June, 2010

Zankhana Joshi
Company Secretary

Sanjay Arora
Managing Director

K S Mohan Ramanathan
Director

Chennai, 22nd June, 2010



**SCHEDULES FORMING PART OF
THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

(Amount in Rs.)

	31-03-2010	31-03-2009
	Twelve months	Twelve months

SCHEDULE - 1**Share Capital**

Authorised Capital

2,00,00,000 Equity Shares of Rs.10/- each 201750000 200000000

and Share Capital of Merged Entities Rs. 17,50,000/-

Issued, Subscribed & Paid up Capital

10943100 Equity shares of Rs.10/-each 109431000 109431000

Total 109431000 109431000**SCHEDULE - 2****Reserves & Surplus**

Capital Reserve 231 231

Security (Share) Premium

Opening Balance 136083000 136083000

Closing Balance 136083000 136083000

General Reserve

Opening Balance 2707395 2707394

Closing Balance 2707395 2707394

Balance as per P & L Account 242145823 212460391

Total 380936449 351251016**SCHEDULE - 3****Deferred Tax Liability**

Deferred Tax Liability 2146234 3267584

Total 2146234 3267584

(Amount in Rs.)

	31-03-2010	31-03-2009
	Twelve months	Twelve months

SCHEDULE - 5**Investments**

Long Term Investment in Shares

Investment (Unquoted)

(Non-Trade Investments & Valued at Cost)

Investment in Equity Shares of

Fortune Infotech USA, Inc

- Wholly owned Subsidiary

Equity of US \$ 1,00,000 fully paidup 0 4604000

Long Term Investment in Shares Investment (Quoted)

(Trade Investments & Valued at Cost)

Long Term Investment in Bonds/Debentures

Bonds- 54EC Series VIII 10000000 5000000

(Current Year 1000 Units at Rs. 10000 each)

(Previous Year 500 Units at Rs. 10000 each)

Current Investment in Mutual Funds &

Equity Shares (Quoted)

Investment in Mutual Funds

Reliance Money Manager Fund (MDP)

(Formerly Known as Reliance Liquid Plus) 185267120 112897864

(Current Year 183717.8200 units at fair

value of Rs. 1007.9395 each)

(Previous Year 112039.0860 units at fair

value of Rs. 1008.2773 each)

HDFC Cash Mgmt Fund-Treasury

Advantage Inst (MDP) 109262451 109968960

(Current Year 10854833.987 units at

fair value of Rs. 10.0533 each)

(Previous Year 10923981.46 units at

fair value of Rs. 10.0523 each)

Birla Sun Life Savings Fund Inst (MDP) 116487272 124900000

(Current Year 11489649.53 units at

fair value of Rs. 10.2372 each)

(Previous Year 12319813.3030 units at

fair value of Rs. 10.1517 each)

Total 421016843 357370824**SCHEDULE - 4****Fixed Assets**

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as on 01-04-09	Addition during the Period	Sale/adj. during the period	Total as on 31-03-10	Balance as on 01-04-09	For the Period	Reduced during the period	Total as on 31-03-10	As on 31-03-10	As on 31-03-09
Land	248479	0	0	248479	0	0	0	0	248479	248479
Building	22670446	0	17100	22653346	4201932	756479	1607	4956804	17696542	18468514
Electrical Installation	9453664	62849	0	9516513	3146358	670143	0	3816501	5700012	6307306
Plant & Machinery	11271748	99183	0	11370931	2896438	796963	0	3693401	7677530	8375310
Furniture	12299184	0	62416	12236768	3871108	775627	15735	4631000	7605768	8428076
Computers	67183193	1060415	0	68243608	51983683	10891993	0	62875676	5367932	15199509
TOTAL	123126714	1222447	79516	124269645	66099519	13891205	17342	79973382	44296263	57027194
Previous Year	278277584	2630262	157781132	123126714	84211472	23120999	41232952	66099519	57027195	194066112

	(Amount in Rs.)			(Amount in Rs.)	
	31-03-2010 Twelve months	31-03-2009 Twelve months		31-03-2010 Twelve months	31-03-2009 Twelve months
SCHEDULE - 6					
Interest Accrued on Investments					
Accrued Interest on Fixed Deposits	218742	123571			
Accrued Interest on REC Bonds	470890	10274			
Total	689632	133845			
SCHEDULE - 7					
Sundry Debtors					
(unsecured and considered good, unless stated otherwise)					
- Debts Outstanding for a period exceeding six months	1165342	1165342			
- Other Debts	21259247	17616510			
Total	22424589	18781852			
SCHEDULE - 8					
Cash & Bank Balances					
Cash on Hand	84583	102628			
Bank Balance					
- With Scheduled banks in					
Current Account	125036	969238			
Fixed Deposit Account	0	0			
- With Non-Scheduled banks in					
Current Account	5755642	9528847			
Fixed Deposit Account	1350000	1350000			
Total	7315261	11950713			
SCHEDULE - 9					
Loans and Advances					
(unsecured and considered good, unless stated otherwise)					
Advances recoverable in cash or in kind or for value to be received	20634201	38902929			
Total	20634201	38902929			
SCHEDULE - 10					
Current Liabilities					
Sundry Creditors					
Total Outstanding dues of creditors other than small scale industrial undertakings					
For assets		0		0	
For services		1209865		1322199	
Other Liabilities		8222944		6988933	
UnClaimed Interim Dividend (02-03)		11400		11400	
UnClaimed Interim Dividend (03-04)		26200		26200	
UnClaimed Interim Dividend (04-05)		28300		28300	
Total	9498709	8377032			
SCHEDULE - 11					
Provisions					
Provision for Expenses		1690152		1946135	
Provision for Income Tax & FBT		12674245		9894591	
Total	14364397	11840726			
SCHEDULE - 12					
Income from Operations					
Income from IT Enabled Services		97495149		214370565	
Total	97495149	214370565			
SCHEDULE - 13					
Other Income					
Dividend from Mutual Funds		15860091		12622224	
Income from Fixed Deposit		109681		103407	
Income from Mutual Funds		5711		62619	
Interest on MGVCL		41628		41309	
Interest on REC Bonds - Series VIII		595034		10274	
Interest on Income Tax Refund		0		305457	
Total	16612145	13145290			
SCHEDULE - 14					
Personnel Expenses					
Salaries and Wages		48719104		136625931	
Total	48719104	136625931			
SCHEDULE - 15					
Data Link Charges					
Internet Charges		665583		5576790	
IPLC Charges		0		431662	
Total	665583	6008452			

	(Amount in Rs.)	
	31-03-2010 Twelve months	31-03-2009 Twelve months
SCHEDULE - 16		
Administrative and Other Expenses		
Advertisement & Marketing Expenses	226298	12991
Audit Fees	137875	137875
Bad Debts and Write offs	(46272)	5120
Bank Charges	23493	26395
Books & Periodicals	3009	17678
Director's Travelling Expenses	0	2638
Donation	14835	0
Fees & Other Charges	353771	657534
Foreign Exchange Rate Difference	2108688	(6878116)
Insurance charges	45813	107086
Lease Rent	5863684	17880845
Legal & Professional Expenses	1098989	446230
Miscellaneous Expenses	47914	69504
Office Expenses	1266331	4154168
Employee Welfare Expenses	356141	997682
Recruitment Expenses	9000	394182
Postage & Cargo expenses	17593	59515
Shifting Charges	0	197438
Power & Fuel	4144596	8959074
Printing & Stationery	128964	607768
Repairs & Maintenance	353394	747194
Rates and Taxes	331686	320836
Telephone Expenses	175057	545042
Project Travelling & Relocation	9783	930705
Travelling Expenses	164406	248462
Maintenance Charges	530780	1552558
Consumables	101223	41607
Loss on Disposal/Sale of Fixed Assets	30191	3936136
Annual Maintenance Support Services	775583	1806716
Loss on Disinvestment of Subsidiary	1214841	0
Total	19487666	37984863

SCHEDULE: 17**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****17.1 Significant Accounting Policies.****17.1.1 Basis of preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. These accounting policies have been consistently applied.

17.1.2 Revenue Recognition

Revenue from the services rendered is recognized proportionately over the period in which services are rendered. Interest Income is recognized using the time proportion method based on rates implicit in the transaction.

17.1.3 Expenditure

All the expenses are recognized on accrual basis. Provisions are made for all known losses and liabilities.

17.1.4 Fixed assets

Fixed assets are stated at cost, after reducing accumulated depreciation until the date of Balance Sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition.

17.1.5 Depreciation

Depreciation on Fixed Assets is determined using the straight-line method at the rates prescribed under schedule XIV to the Companies Act, 1956. Depreciation for the assets purchased/sold during the period is proportionately charged.

17.1.6 Employee Retirement Benefit**17.1.6 a. Gratuity**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

17.1.6 b. Provident Fund

Contribution payable to the recognized provident fund, which is a defined contribution scheme, is charged to the Profit & Loss Account.

17.1.7 Foreign currency transactions

Revenues from overseas clients are recorded at the exchange rate as of the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevalent when such foreign currency is withdrawn. Exchange difference is recorded with the amount actually received on sales is converted in Indian rupees. The exchange

differences arising on foreign currency transactions are recognized as income & expenses in the period in which they arise.

Current Assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is also recorded in the profit & loss account.

17.1.8 Income Tax

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Major Components of Deferred Tax Assets & Liabilities are as under:

Particulars	31-Mar-10	31-Mar-09
Deferred tax assets		
Unabsorbed Depreciation & Business Loss	5,06,636	22,01,123
Section 43B Items	14,79,348	12,49,934
Total deferred tax assets	19,85,984	34,51,057
Deferred tax liabilities		
Excess of depreciation allowable under income tax law over depreciation provided in accounts	(41,32,218)	(67,18,641)
Total deferred tax liabilities	(41,32,218)	(67,18,641)
Net Deferred tax Assets/(Liabilities)	(21,46,234)	(32,67,584)

17.1.9 Investments

Investments are either classified as current Investment or long term Investment. Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investment. Current investments are carried at the lower of cost and fair value. Long term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Any dividends are recorded as income in the profit and loss account.

17.1.10 Provisions & Contingent Liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which

the likelihood of outflow of resources is remote, no provision or disclosure is made.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

17.2 Notes on accounts

All amounts in the financial statements are presented in Rupees, except for per share data and as otherwise stated. The previous periods figures have been regrouped/reclassified, wherever necessary, to conform to the current period's presentation.

17.2.1 Retirement Benefit

The Company has defined benefit gratuity plan. The following table summarises the component of net benefit expenses recognized in the profit & loss account and the funded status and amounts recognized in the balance sheet.

Particulars	(Amount in Rs.)	
	Gratuity Benefit Funded 2009-10	Gratuity Benefit Funded 2008-09
I. Table Showing Change in Benefit Obligation		
Liability at the beginning of period	4318784	6501429
Interest cost	345503	520114
Current service cost	753513	753513
Benefit paid	(398131)	(2783053)
Actuarial (gain)/loss on obligations	(357107)	(673219)
Liability at the end of the period	4662562	4318784
II. Tables of Fair value of Plan Assets		
Fair value of plan assets at the beginning of period	6355430	8451936
Expected return on plan assets	567077	658020
Contributions	Nil	28527
Benefit paid	(398131)	(2783053)
Actuarial gain/(loss) on plan assets	Nil	Nil
Fair value of plan assets at the end of the period	6524376	6355430
Total actuarial gain/(loss) to be recognized	(357107)	(673219)
III. Actual Return on Plan Assets		
Expected return on plan assets	567077	658020
Actuarial gain/(loss) on plan assets	Nil	Nil
Actual return on plan assets	567077	658020
IV. Amount Recognised in the Balance Sheet		
Liability at the end of the period	4662562	4318784
Fair value of plan assets at the end of the period	6524376	6355430
Difference / Funded Status	1861814	2036646
Net Liability/(Asset) recognised in the balance sheet	(1861814)	(2036646)
V. Expenses Recognised in the Income Statement		
Current Service Cost	753513	753513
Interest cost	345503	520114
Expected return on plan assets	(567077)	(658020)
Net actuarial (gain)/loss to be recognized	(357107)	(673219)
Expense recognised in Profit and Loss Account	174832	(57612)

VI. Amount Recognised in the Balance Sheet

Opening net liability	(2036646)	(1950507)
Expense as above	174832	(57612)
Employers Contribution paid	Nil	(28527)
losing net Liability/ (Asset)	(1861814)	(2036646)

VII. Assumptions

Discount Rate Previous Period	8.00%	8.00%
Discount Rate Current Period	8.00%	8.00%
Rate of Return on Plan Assets Previous Period	8.00%	8.00%
Rate of Return on Plan Assets Current Period	8.00%	8.00%
Salary Escalation Previous Period	7.00%	7.00%
Salary Escalation Current Period	7.00%	7.00%

17.2.2 Earnings in Foreign Exchange

	Year ended on 31-03-2010 (12 months)	Year ended on 31-03-2009 (12 months)
Export of Services	Rs. 9,74,95,149	Rs. 21,43,70,564

17.2.3 Value of Imports during the year

	Year ended on 31-03-2010 (12 months)	Year ended on 31-03-2009 (12 months)
Capital Goods	Rs. 11,643	0

17.2.4 Expenditure in Foreign Currency during the year

	Year ended on 31-03-2010 (12 months)	Year ended on 31-03-2009 (12 months)
Traveling Expenses	Rs. 14,807	Rs. 3,60,250
Advertising Expenses	Rs. 1,86,998	0
Donation	Rs. 4,835	0

17.2.5 Fixed Deposit

During the year under review the Company has not accepted any Fixed Deposits from the public.

17.2.6 Quantitative details

The Company is engaged in providing services. Such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3 and 4C of part II of Schedule VI to the Companies Act, 1956.

17.2.7 Remuneration paid to Auditors

The Company paid remuneration to the Auditors during the current year as per the following details:

	Year ended 31-03-2010 (12 months)	Year ended 31-03-2009 (12 months)
Audit Fees	Rs. 1,37,875	Rs. 1,37,875
Fees for other Services	Rs. 1,38,605	0

17.2.8 Dues to micro, small and medium scale enterprises

There are no dues to Micro, Small and Medium enterprises, which have registered with the competent authorities. Based on the information and records available with the Company, there are no dues outstanding for a period of 45 days as at 31st March 2010, in respect of small scale industries as defined under clause (j) of section 3 of the Industries (Development and Regulation) Act, 1951.

Note : The information has been given in respect of only those suppliers who have intimated the company that they are registered as micro & small enterprises

17.2.9 Current Assets, Loans & Advances

In the opinion of the Company, the realisable value of Current Assets & Loans and Advances in ordinary courses of business would not be less than the amount at which they are stated in the balance sheet.

Advances mainly comprise pre-paid expenses, and advances to vendors.

17.2.10 Current Liabilities

Sundry creditors & other liabilities represent mainly the retention amounts payable to the vendors and amounts accrued for various other operational expenses and taxes. There are no claims against Company which are not acknowledged as debt.

17.2.11 Segment Reporting

The Segmental Reporting is not applicable to the Company as the Company is engaged in single segment viz. IT Enabled Services.

17.2.12 Related Party Disclosure

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

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

Sr. No.	Name of Related Party	Relationship
01.	Computer Science Corporation India Private Limited	Holding Company

17.2.13 Transactions during the year with the related parties

(Amount in Rs.)

Sr. No.	Name of Transaction	Subsidiary Company	Holding Company	Associate Company	Total
01.	Investments Balance as at 31st March, 2010 Balance as at 31st March, 2009	0 46,04,000	0 0	0 0	0 46,04,000
02.	Debtors Balance as at 31st March, 2010 Balance as at 31st March, 2009	0 0	2,06,26,318 0	0 0	2,06,26,318 0
03.	Income Income from Operations (Current Year) Income from Operations (Previous Year)	0 11,90,93,313	2,39,72,792 0	0 0	2,39,72,792 11,90,93,313

17.2.14 Contingent Liabilities

- Total Guarantees Outstanding as at March 31, 2010 amounting to Rs. 3,75,000/- have been issued by banks on behalf of the company.
- Claims against the company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote)

Particulars	Amount in Rs. As at March 31, 2010
Taxes, Duties and Other demands (under adjudication/appeal/dispute)	
- Income Tax Matters	3,031,065

**BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE**
I REGISTRATION DETAILS

Company Identification Number (CIN)	U67120GJ1998PLC033636
State Code	04
Balance Sheet Date	31-03-20010

**II Capital raised during the year
(Amount in Rs.)**

Public issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**III Position of Mobilisation and Deployment
of Funds : (Amount in Rs.)**

Total Liabilities	492513683
Total Assets	492513683

Sources of Funds :

Paid up Capital	109431000
Reserves & Surplus	380936449
Deferred Tax	2146234
Secured Loans	0
Unsecured Loans	0

Application of funds :

Net Fixed Assets	44296263
Investments	421016843
Net Current Assets	27200577
Deferred Tax	0
Misc Expenditure	0

**IV Performance of Company :
(Amount in Rs.)**

Turnover	114107294
Total Expenditure	82763558
Profit/loss before tax	31343736
Profit/loss after tax	29833462
Earning per share in Rs.	2.73
Dividend Rate (in %)	0

V Generic Names of one Principal Products/
Services of the company as per Monetary terms

Item Code No.(ITC Code)	NIL
Product Description	N.A

For K H Bhatt & Co.,
Chartered Accountants

For and on behalf of the Board

Sanjay Arora
Managing Director

Ketan H Bhatt
Proprietor
Membership No. : 40652
Registration No. : 101336W

Zankhana Joshi
Company Secretary

K S Mohan Ramanathan
Director

Vadodara, 22nd June, 2010

Chennai, 22nd June, 2010

Fortune Infotech Ltd.

(Regd. Office : Plot No. 160 /4, Old Chhani Road, Vadodara 390 024)



ATTENDANCE SLIP 13TH ANNUAL GENERAL MEETING : 12th August, 2010

D.P. Id*	
----------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Share/(s) Held	
-----------------------	--

Name of the Shareholder

Name of Proxy

I certify that I am a registered Member/Proxy for the Registered Member of the Company. I hereby accord my presence at the **13TH ANNUAL GENERAL MEETING** of the Company to be held at the Registered Office of the Company at **Plot No. 160/2, Old Channi Road, Vadodara- 390 024** on **Thursday, the 12th day of August, 2010 at 4.00 p.m.**

NOTE :

*Applicable for investors holding shares in electronic form.

Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

Members are requested to bring their copies of the Annual Report to the meeting.

.....
Member's/Proxy's Signature

Fortune Infotech Ltd.

(Regd. Office : Plot No. 160 /4, Old Chhani Road, Vadodara 390 024)

PROXY FORM

D.P. Id*	
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Folio No.	
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Client Id*	
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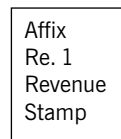
No. of Share/(s) Held	
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I/ We.....
of
being a Member / Members of Fortune Infotech Ltd hereby appoint
.....of
.....or failing him
.....of
my/our proxy to attend and vote for me/us and on my/our behalf at the **13th Annual General Meeting** of the Company to be held at **Plot No. 160/2, Old Channi Road, Vadodara- 390 024** on **Thursday, the 12th day of August, 2010 at 4.00 p.m.** and any adjournment(s) thereof.

Signed this.....day of, 2010

* Applicable for investors holding shares in electronic form

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not later than 48 hours before the time of meeting. The proxy need not be a member of the Company.



(Please sign across the Revenue Stamp)

ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING

ADDENDUM TO THE NOTICE DATED 22ND JUNE, 2010 CONVENING 13TH ANNUAL GENERAL MEETING OF THE COMPANY SCHEDULED TO BE HELD ON THURSDAY, THE 12TH AUGUST, 2010 AT 4.00 P.M AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. 160/4, OLD CHHANI ROAD, VADODARA-390 024, GUJARAT, INDIA.

.....

Attention of the members is invited to the Notice of 13th Annual General Meeting of the members of the Company dated 22nd June, 2010 already sent to all the Shareholders. Notice is hereby further given that the following item of business shall be included in the aforesaid notice as a new Item No. 6 under Special Business:

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Darren Collins, who was appointed as an Additional Director with effect from 30th June, 2010 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 148 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from the Director himself in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IS AS FOLLOWS:

The Board of Directors of the Company at its Meeting held on 30th June, 2010 had appointed Shri Darren Collins as an Additional Director of the Company effective from 30th June, 2010 to hold Office. Having been so appointed, Shri Darren Collins holds office till the date of the ensuing 13th Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and is eligible for re-appointment.

In terms of Section 257 of the Companies Act, 1956, the Company has received a Notice in writing alongwith a deposit of Rs. 500/- from the Director himself, proposing his candidature for the office of Director of the Company.

The Board considers that his association as Director will be beneficial and in the interest of the Company.

None of the Directors of the Company except Shri Darren Collins is, in any way, concerned or interested in the resolution.

The Board of Directors accordingly recommends this resolution for your approval.

By Order of the Board of Directors

Vadodara, 30th June, 2010

Sd/-
Zankhana Joshi
Company Secretary