

TELESYS SOFTWARE LIMITED

Annual Report

2007 - 2008

TELESYS SOFTWARE LIMITED

BOARD OF DIRECTORS : 1. Heera Chand Surana Chairman
2. Y.Satya Kumar Director
(Managing Director
Upto 10.12.2007)
3. AXN Prabhu Director
(Upto 12.06.2008)
4. R.Vednarayanan Director
5. MVC Kutty Director
(Upto 12.06.2008)
6. Thavachithan Vaithylingam Palaniswamy
Director (from 12.06.2008)
7. Pandian Kashi Director (from 12.06.2008)

AUDITORS : Venkat & Rangaa
Chartered Accountants
12, Krishnapuri, RA Puram,
Chennai - 600 028.

BANKERS : Tamilnadu Mercantile Bank
Mount Road Branch,
Chennai – 600 002

REGISTERED OFFICE : New No.33, Old No. 15, Postal Colony, First Street,
West Mambalam, Chennai – 600 033.
(Upto 1st October, 2007)

No.6, First Floor, Sixth Cross Street,
CIT Colony, Mylapore, Chennai - 600 004.
(Upto 03.07.2008)

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

SHARE TRANSFER AGENTS : M/s.CAMEO CORPORATE SERVICES LIMITED
#1, Subramaniam Building,
Club House Road, Mount Road,
Chennai – 600 002.
Phone: (044) 28460390 (5 Lines)
Fax: (044) 28460129

TELESYS SOFTWARE LIMITED

NOTICE

SIXTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held at Nalvar Thirumana Maligai, 136 (48) SRP Koil Street, Agaram, Chennai - 600 082 on Tuesday, 30th September, 2008 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2008, the Profit & Loss account for the period from 01.04.2007 to 31.03.2008 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri R. Vednarayanan, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Venkat & Rangaa, Chartered Accountants, the retiring auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS :

4. APPOINTMENT OF MR. THAVACHITHAN VAITHYLINGAM PALANISWAMY, ADDITIONAL DIRECTOR AS DIRECTOR

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

“RESOLVED THAT Mr. Thavachithan Vaithylingam Palaniswamy who was appointed as an additional Director of the company at the meeting of Board of Directors held on 12th June, 2008 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

5 APPOINTMENT OF MR. PANDIAN KASHI, ADDITIONAL DIRECTOR AS DIRECTOR

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

“RESOLVED THAT Mr. Pandian Kashi who was appointed as an additional Director of the company at the meeting of Board of Directors held on 12th June, 2008 and who holds office as such upto the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a

TELESYS SOFTWARE LIMITED

Member under section 257 of the Act proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

6 APPOINTMENT OF MR. Y. SATHYAKUMAR AS A WHOLE TIME DIRECTOR OF THE COMPANY:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") as amended or reenacted from time to time, read with Schedule XIII to the Act and the Articles of Association of the Company, the Company hereby accords its approval to the appointment and terms of remuneration of **MR. Y. SATHYAKUMAR** as **WHOLE TIME DIRECTOR** of the Company for a period of five years with effect from September 30, 2008 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, including remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Y. Sathyakumar and that Mr. Y. Sathyakumar shall not while holding office be subject to retirement by rotation."

"**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interests of the Company."

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Heerachand Surana

(Director)

Place : Chennai

Date : 04/09/2008

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT LEAST 48 HOURS BEFORE THE GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.
3. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING SPECIAL BUSINESS IN RESPECTS OF ITEM NOS. 4, 5, AND 6 OF THE ACCOMPANYING NOTICE AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.

TELESYS SOFTWARE LIMITED

4. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM TUESDAY, 23RD SEPTEMBER, 2008 TO TUESDAY, 30TH SEPTEMBER, 2008 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
5. THE MEMBERS ARE REQUESTED TO INTIMATE TO THE REGISTRAR AND TRANSFER AGENTS, CAMEO CORPORATE SERVICES LIMITED, #1, SUBRAMANIAM BUILDING, CLUB HOUSE ROAD, MOUNT ROAD, CHENNAI – 600 002, CHANGE OF ADDRESS, IF ANY AT THE EARLIEST QUOTING THEIR REGISTERED FOLIO NUMBER.
6. REAPPOINTMENT OF DIRECTORS

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

Profile of Directors retiring by rotation:

a) Shri R. Vednarayanan

Shri R. Vednarayanan aged about 47 years is a practicing Chartered Accountant and has a rich and varied experience in the field of accounting, audit, taxation, project finance and corporate procedures.

Shri R. Vednarayanan who joined the company on 30th September, 2006 as a Non-Executive Independent Director has contributed in various ways by bringing external and wider perspective and independence to the decision making thereby contributing towards improving the efficiency of the company. He is the Chairman of the Audit Committee and member of the Remuneration Committee and Shareholders/ Investors Grievance Committee of the Board of Directors of the Company.

The other directorships/ committee memberships of Shri R. Vednarayanan are: NIL

TELESYS SOFTWARE LIMITED

ANNEXURE TO THE NOTICE

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

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

Item No. 4:

Mr. Thavachithan Vaithylingam Palaniswamy was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 12th June, 2008. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Thavachithan Vaithylingam Palaniswamy as a candidate for the Office of director of the Company. Aged 49 years, a science graduate with an enormous experience in industry and business, his appointment as a Non-Executive Independent Director will strengthen the board. Other Directorships/Committee Memberships are NIL.

The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Thavachithan Vaithylingam Palaniswamy are concerned or interested in the above resolution.

Item No. 5:

Mr. Pandian Kashi was appointed as an additional director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 with effect from 12th June, 2008. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Pandian Kashi as a candidate for the Office of director of the Company. Aged 40 years, a science graduate with an enormous experience in industry and business, his appointment as a Non-Executive Independent Director will strengthen the board. Other Directorships/Committee Memberships are NIL.

The Board recommends the above resolution for your approval.

None of the Directors of the Company except Mr. Pandian Kashi are concerned or interested in the above resolution.

Item No. 6:

The Board of Directors recommend the appointment of Mr. Y. Sathyakumar as the Whole time Director of the Company for a period of five years w.e.f. 30th September, 2008.

Mr. Y. Sathyakumar aged about 37 years is a graduate and has rich and varied experience in the field of industry, business and Corporate Management.

TELESYS SOFTWARE LIMITED

Mr. Y. Sathyakumar who joined the company on 10th February, 2002 as a Director was appointed as the Managing Director of the Company for a period of 5 years w.e.f. 10th December, 2002. He has contributed in various ways towards improving the working efficiency of the company. He is a member of the Audit Committee and is the Chairman of the Shareholders/Investors Grievance Committee of the Board of Directors of the Company.

The Board considers that the appointment of Mr. Y. Sathyakumar as a Whole time Director of the Company will contribute in various ways towards the progress of the company since he has requisite experience and expertise in services. It is recommended to utilise his services for the betterment of the company.

The remuneration payable to Mr. Y. Sathyakumar as Whole time Director as approved by the Remuneration Committee in its meeting is subject to a limit of Rs. 1,20,000/- p.a.

Where in any financial year during the currency of tenure of the Whole time Director the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites not exceeding the limits as specified above. The Board of Directors have liberty to alter and vary the aforesaid terms and conditions relating to remuneration in line with such amendments as may be made from time to time to the Companies Act, 1956.

Mr. Y. Sathyakumar shall not while holding office be subject to retirement by rotation.

The appointment is terminable by notice by either party of 60 days.

Your directors recommend to pass ordinary resolution as set out in the notice.

Mr. Y. Sathyakumar may be deemed to be interested in this resolution as it concerns him. No other director is concerned or interested in the passing of this resolution.

This should also be considered as an abstract of the terms of appointment of Whole time Director and Memorandum as to the nature of the concern or interest of the Directors in the said appointment as required under section 302 of the Companies Act, 1956 or any amendment or modification thereof.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Heerachand Surana

(Director)

Place : Chennai

Date : 04/09/2008

TELESYS SOFTWARE LIMITED

DIRECTORS REPORT

Your Directors are happy to present the Sixteenth Annual Report of your company together with the Audited Accounts of the Company for the financial year ended 31st March 2008.

FINANCIAL HIGHLIGHTS:

During the year under review, the company has incurred a loss of Rs. 16,535,817 as against a loss of Rs. 2,764,111/- during the previous year. The financial results of the company compared to the previous year are summarized as under:

Particulars	(Rs.)	
	31.03.2008	31.03.2007
Income	83,423,178.00	38,591,562.00
Profit / (Loss) before Depreciation and Tax	(13,593,341.00)	1,421,538.00
Less: Depreciation	3,030,259.00	4,991,237.00
Profit/ (Loss) Before Tax	(16,623,600.00)	(3,569,699.00)
Provision for FBT	31,251.00	8,196.00
Provision for Taxation - Current	353,772.00	303,552.00
Provision for Deferred Tax	(472,806.00)	(1,117,336.00)
Profit/ (Loss) After Tax	(16,535,817.00)	(2,764,111.00)
Balance Brought Forward	(53,285,621.00)	(50,521,510.00)
Balance carried over to Balance Sheet.	(69,821,438.00)	(53,285,621.00)
EPS (Basic) (Diluted)	(0.72)	(0.15)
Weighted average number of shares	23,235,250	23,235,250

REGISTERED OFFICE:

The Registered Office of the Company was changed from New No. 33, Old No. 15, Postal Colony, 1st Street, West Mambalam, Chennai – 600 033 to No. 6, First Floor, Sixth Cross Street, CIT Colony, Mylapore, Chennai – 600 004 with effect from 1st October, 2007 to facilitate operational convenience. The Registered Office was further changed to New No. 72, Old No. 33, First Floor, Giri Road, T. Nagar, Chennai – 600 017 w.e.f. 03.07.2008 looking at better prospects from the new location.

MATERIAL CHANGES AND COMMITMENTS:

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

RESERVES:

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

TELESYS SOFTWARE LIMITED

DIVIDEND:

Your directors do not wish to recommend any dividend in view of the loss incurred by the company.

DEPOSITS

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

MANAGEMENT DISCUSSION AND ANALYSIS

a) Economic Overview

The Economy retards to 8.7% in the year 2007-08 which was expected and it appears difficult to sustain 9% rate of economic growth. Inflation was recorded to be 4.4 % which was found to be less than 5.6% last year. Fuel and power constituted the main subscribers to inflation. The Government plans an aim of 9 % GDP growth during 11th Five Year Plan. The Investment climate was full of optimism.

b) Industry Structure, Development and Outlook

The growth in services sector continued to be broad based. Software services were the main drivers of growth. The real estate sector witnessed a slow down. The management is also planning diversification in areas of Infrastructures Development, Power sector etc. to improve the performance of the company and in turn enhance shareholders value.

c) Business performance and Segment Reporting

During the year under review, the company has incurred a loss of Rs. 16,535,817/- as against a loss of Rs. 2,764,111/- during the previous year. The performance of the company is expected to improve during the coming years with increasing efforts being made in the direction of improving the working efficiency of the company.

d) Segment

The company operates in only one segment that is Software development and sales in India only.

e) Internal Control System and its adequacy

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

TELESYS SOFTWARE LIMITED

f) Risk Management

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

g) Human resources and Industrial relations

Your company continues to have cordial relations with its employees.

DIRECTORS

Shri R. Vednarayana, Director of the company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

Shri Thavachithan Vaithyalingam Palaniswamy and Shri Pandian Kashi were appointed as additional directors of the company w.e.f. 12.06.2008 by the Board of Directors of the company in accordance with Section 260 of the Companies Act, 1956. They hold office upto the conclusion of the ensuing Annual General Meeting of the Company to be held on 30th September, 2008. The requisite notices together with necessary deposits have been received from members pursuant to section 257 of the Companies Act, 1956 proposing the appointment of Shri Thavachithan Vaithyalingam Palaniswamy and Shri Pandian Kashi as directors of the company.

Shri AXN Prabhu and Shri MVC Kutty have resigned as directors of the company w.e.f. 12.06.2008. The Board places on record their sincere and deep appreciation for valuable services rendered to the company during their tenure as directors of the company.

The board recommends the appointment of Mr. Y. Sathyakumar as a Whole time Director of the company at the ensuing Annual General Meeting of the company. The remuneration payable to him has been approved by the Remuneration committee in its meeting.

AUDITORS:

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

AUDITORS REPORT:

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

TELESYS SOFTWARE LIMITED

CORPORATE GOVERNANCE:

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

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

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

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

The information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable to your company.

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

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

GOING CONCERN:

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

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby declare :-

- (i) that in preparation of accounts , applicable accounting standards have been followed or where departure has been made , explanation relating to material departures;
- (ii) that directors have selected such accounting policies and applied them and made judgements and estimates that are reasonable and prudent to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period.

TELESYS SOFTWARE LIMITED

- (iii) that Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors had prepared Annual Accounts on a Going Concern basis.

COMPANY SECRETARY:

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

CAUTIONARY STATEMENT:

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

**(Heerachand Surana)
Director**

**(Y. Sathyakumar)
Director**

Date : 04/09/2008

Place: Chennai

TELESYS SOFTWARE LIMITED

STATEMENT AND REPORTS ON CORPORATE GOVERNANCE

A. MANDATORY REPORTS ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance:

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

II. Board of Directors :

Composition and Category

The Board has 5 Directors, comprising of two Executive Directors, one Non-Executive Non-Independent Director and two Non-Executive Independent Directors. The Executive Director is involved in the day to day management of the Company and non-executive including the independent directors bring external and wider perspective and independence to the decision making. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors generally meets with the requirements of Clause 49(I)(A) of the Listing Agreement.

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

TELESYS SOFTWARE LIMITED

The composition of the Board of Directors, the number of other Directorship and Committee positions held by the Director, of which the Director is a member/ Chairman as on March 31, 2008 are as under :

Name	Designation	Category	No of Board Meetings attended during 2007-2008 out of seven	Whether attended the Last AGM	No of Directorships in public companies	No of other Board committees (Other than Telesys Software Limited) in which he/she is Member or Chairperson
1. Heera Chand Surana	Chairman	Executive	Seven	Yes	2	Nil
2. MVC Kutty*	Director	Executive	Two**	Yes	1	Nil
3. Y. Sathya kumar***	Director	Non-Executive***	Seven	Yes	Nil	Nil
4. AXN Prabhu****	Director	Non Executive and Independent	Seven	Yes	2	Nil
5. R.Veda narayanan	Director	Non Executive and Independent	Seven	Yes	Nil	Nil

* & ** MVC Kutty was appointed as an additional Director of the Company w.e.f. 01.09.2007 and has resigned w.e.f. 12.06.2008.

***Y. Sathyakumar has ceased to be Managing Director of the Company w.e.f. 10.12.2007 but remains as Non-Executive Non-Independent Director and Compliance Officer of the Company.

**** AXN Prabhu has resigned as director of the Company w.e.f. 12.06.2008.

Shri Thavachithan Vaithyalingam Palaniswamy and Shri Pandian Kashi have been appointed as Additional Directors of the Company w.e.f. 12.06.2008 both of whom are Non-Executive Independent Directors.

TELESYS SOFTWARE LIMITED

III. Board Agenda :

Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 4-5 working days in advance. An indicative list of the information usually placed before the Board is as under:

- Annual Budgets and updates thereon.
- Capital expenditure proposals if any and review of their implementation.
- Quarterly, Half yearly and Annual Results.
- Business performance and steps for improvement.
- Legal proceedings involving the Company.
- Minutes of meetings of Audit Committee, Remuneration Committee and Shareholders Committee.
- Materially important show cause notices, non-compliances, if any, etc.
- Other relevant information pertaining to the Company including information detailed in Clause 49 of the Listing Agreement.

IV. Board Meetings :

During the financial year ended 31st March, 2008 seven Board meetings were held i.e. on 30th June, 2007, 31st July, 2007, 1st September, 2007, 1st October, 2007, 5th December, 2007, 31st January, 2008 and 31st March, 2008. The gap between two Board meetings did not exceed four months. Four directors have attended all the seven meetings and have attended the last AGM held on 29.09.2007. Mr. MVC Kutty has attended two meetings and has not attended the last AGM.

V. Committees of the Board

The Board of Directors has constituted 3 Committees of the Board viz.

- _ Audit Committee
- _ Remuneration Committee
- _ Shareholders Committee and

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman / Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

a) AUDIT COMMITTEE :

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

TERMS OF REFERENCE:

The terms of Reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956 and inter-alia includes:

TELESYS SOFTWARE LIMITED

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and for approval of payment to statutory auditors for any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Any Changes in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings.
 - d. The Going concern assumption.
 - e. Compliance with accounting standards.
 - f. Compliance with listing and other legal requirements relating to financial statements
 - g. Disclosure of any related party transactions i.e. transaction of the company of material nature with promoters of the management and their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.
 - h. Qualifications in the draft audit report.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval, performance of statutory and internal auditors, the structure and adequacy of the internal control systems.
5. Reviewing adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and discussing with internal auditors any significant findings and follow up there on.
6. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
9. Reviewing the Company's financial and risk management policies.
10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

TELESYS SOFTWARE LIMITED

In fulfilling the above role the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the financial statements for the year ended March 31, 2008.

Constitution :

The Audit Committee comprises of three directors of whom two are Non-Executive Independent Directors. The Audit Committee is constituted in accordance with the provisions of Clause 49(IIA) of the Listing Agreement and Section 292A of the Companies Act, 1956. All these directors possess requisite knowledge of Accounts, finance and applicable laws. One of the members acts as Chairman of the Committee Meetings. The Auditors are also invited to the Meetings wherever required. The quorum for the Audit Committee Meetings is two members. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The composition of the Audit Committee is as follows:

- 1. R. Vednarayanan**
- 2. AXN Prabhu**
- 3. Y. Sathyakumar**

The Committee is chaired by R. Vednarayanan who is a Non-Executive Independent Director

CHANGE IN THE COMPOSITION OF THE AUDIT COMMITTEE

Shri R. Vednarayanan was appointed as the Chairman of the Audit Committee in place of Shri Y. Sathyakumar at the meeting of the Board of Directors held on 31st January, 2008. Shri Y. Sathyakumar continues to be a member of the Audit Committee as a Non-Executive Director.

Meetings and Attendance:

The Audit Committee met 4 (four) times during the year ended 31st March, 2008 i.e. on

30th April, 2007, 30th June, 2007, 31st October, 2007 and 31st January , 2008

The gap between two meetings did not exceed four months. The Audit Committee also met prior to finalization of accounts for the year ended 31st March, 2008. And all the directors have attended all the four meetings.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the Shareholders queries.

TELESYS SOFTWARE LIMITED

a) REMUNERATION COMMITTEE :

TERMS OF REFERENCE AND REMUNERATION POLICY:

The Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing Director, Whole time Directors and to formulate a broad policy for management remuneration. The remuneration policy as outlined by the committee aims at recognizing and rewarding performances and achievements, while fixing the remuneration of Directors their contribution by way of their professional approach. This policy is in tune with national and international practices.

Constitution :

The Remuneration Committee comprises of three directors of whom two are Non-Executive Independent Directors. The Chairman of the Remuneration Committee is an Executive Director nominated by the Board.

The Committee consists of 3 (three) directors :

- 1. Heerachand Surana**
- 2. AXN Prabhu**
- 3. Vednarayanan**

The Committee is chaired by **Shri Heerachand Surana** who is an Executive Director .

Meetings and Attendance:

The Remuneration Committee met once during the year i.e. on

31st October, 2007

And all the directors have attended the meeting.

Sitting fees @Rs. 200/- per meeting of the Board attended by them has been paid to all the directors. No other remuneration has been paid to the directors.

The Shareholdings of directors in the Company as on 31st March, 2008 are:

1. Heerachand Surana - 100 Equity Shares
2. MVC Kutty - 100 Equity Shares
3. Y. Sathyakumar - 100 Equity Shares
4. AXN Prabhu - 100 Equity Shares
5. R. Vednarayanan - 100 Equity Shares

TELESYS SOFTWARE LIMITED

c) SHAREHOLDERS COMMITTEE:

The Board of Directors have constituted a Committee of Directors which functions as Shareholders/ Investors Grievance Committee, consisting of three Directors of whom two are Non-Executive Independent directors, Chaired by a Non-Executive Director.

Role:

The terms of reference of the Shareholders Committee are as under:

1. To specifically look into the redressal of Shareholders Grievances pertaining to :

- _ Transfer/ transmission/ transposition of shares.
- _ Consolidation/splitting of shares/ folios.
- _ Issue of share certificates for lost, subdivided, consolidated, rematerialized, defaced etc.
- _ Dematerialisation of shares.
- _ Recommend measures to improve the level of investor services.

The company and the Registrar and Share Transfer Agents Cameo Corporate Services Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. The Minutes of the Shareholders committee are noted by the Board of Directors at their meetings.

Constitution:

The Committee consists of 3 (three) directors :

1. **Y. Sathyakumar**
2. **AXN Prabhu**
3. **Vednarayanan**

The Committee is chaired by Shri Y. Sathyakumar who is a Non-Executive director of the Company.

Meetings and Attendance:

The Shareholders Committee met 4 (four) times during the year i.e. on

30th April, 2007, 30th June, 2007, 31st October, 2007 and 31st January , 2008

And all the directors have attended all the four meetings.

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

SHRI Y. SATHYAKUMAR, DIRECTOR

Tel No. : 044 – 24662518

Fax No. : 044 – 42312518

Email ID : telesyss@yahoo.com

TELESYS SOFTWARE LIMITED

DETAILS OF INVESTORS COMPLAINTS RECEIVED AND ADDRESSED:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	8	8	0

No Investors grievances remained unattended/ pending for more than 30 days as on 31st March, 2008.

I. GENERAL BODY MEETINGS :

Location and time, where last three Annual General Meetings were held is given below:

General Body Meeting	Date	Venue	Time	Special Resolutions Passed at AGM
AGM for the year 2007	29.09.2007	New No 33, Old No 15, Postal Colony, First Street, West Mambalam, Chennai – 600 033.	10.00 AM	No
AGM for the year 2006	30.09.2006	New No 33, Old No 15, Postal Colony, First Street, West Mambalam, Chennai – 600 033.	9.30AM	Yes
AGM for the year 2005	29.09.2005	861-A, Vaigai Colony, 13th Main Road, Anna Nagar West, Chennai - 600 040.	9.30AM	Yes

b. Special Resolutions passed at last three Annual General Meetings

At the Annual General Meeting held on 29th September, 2005, Special Resolution was passed relating to Corporate Guarantee under section 372A of the Companies Act, 1956 by way of postal ballot. The results of the Postal Ballot were announced at the said Annual General Meeting.

At the Annual General Meeting held on 30th September, 2006, Special Resolution was passed for alteration in the Main Objects Clause of the Company. The resolution was passed with requisite majority.

c. Passing of resolutions by Postal Ballot

Special Resolution was passed relating to Corporate Guarantee under section 372A of the Companies Act, 1956 by way of postal ballot. The results of the Postal Ballot were announced at the Annual General Meeting held on 29th September, 2005.

TELESYS SOFTWARE LIMITED

VII. SUBSIDIARIES : NIL

VIII. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and members of the Senior Management and they have affirmed compliance with the same. There is no website of the company.

IX. PREVENTION OF INSIDER TRADING :

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors/Officers/Designated Employees. The code ensures the prevention of dealing in company's shares by persons having access to unpublished price sensitive information.

X. DISCLOSURES :

There are no materially significant transactions made by the company with its promoters, the directors or the management, their subsidiaries or relatives etc. which require separate disclosure. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. The trading in securities of the Company was suspended by BSE from 31st December, 2007 on account of some non-compliances of listing agreement clauses. However, the company complied with all the provisions of the listing agreement upto date and paid the reinstatement fees. The suspension of trading is not revoked by the BSE till date due to some technical reasons. The company is following up on the same. No penalties/strictures have been imposed on the company by any regulatory authority for non-compliance of any law. The Company has complied with the mandatory requirements relating to strengthening the responsibilities of Audit Committee, improving the quality of financial disclosures, including related party transactions and periodical review by the Board and its constituted committees. The Company has adopted the non-mandatory requirements with regard to setting up of a remuneration committee.

MEANS OF COMMUNICATION :

- (i) The Board of Directors of the company approves and takes on record the quarterly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the close of the respective period.
- (ii) The approved financial results are forthwith sent to the listed stock Exchanges and are published in the leading national English Newspaper namely Trinity Mirror (English daily). In addition the same is published in local language (Tamil) newspaper namely Makkal Kural (Tamil daily) within forty-eight hours of approval thereof. The same are not sent to the shareholders separately.
- (iii) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the company.
- (iv) The Company has not made presentations to Institutional Investors or to Analysts.
- (v) Company's Email ID: telesyss@yahoo.com

TELESYS SOFTWARE LIMITED

XI. GENERAL SHAREHOLDERS INFORMATION :

Registered Office : **New No. 33, Old No. 15, Postal Colony, 1st Street, West Mambalam, Chennai – 600 033 (upto 1st October, 2007)**

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

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

Number of AGM : **16th AGM**

Date : **30TH SEPTEMBER, 2008**

Day : **TUESDAY**

Time : **9.30 A.M.**

Venue : **Nalvar Thirumana Maliga, 136 (48), SRP Koil Street, Agaram, Chennai – 600 082.**

Financial year : **1ST April, 2007 to 31ST March, 2008**

Book Closure date : **23RD SEPTEMBER, 2008 TO 30TH SEPTEMBER, 2008 (BOTH DAYS INCLUSIVE)**

Dividend payment: **Not Applicable**
date

LISTING ON STOCK EXCHANGES:

The Bombay Stock Exchange Limited, Mumbai

LISTING FEES : The company has paid listing fees upto the financial year 2008-2009

REGISTRAR AND TRANSFER AGENTS:

**CAMEO CORPORATE SERVICES LIMITED,
#1, SUBRAMANIAM BUILDING,
CLUB HOUSE ROAD,
MOUNT ROAD,
CHENNAI – 600 002.**

SHARE TRANSFER SYSTEM:

The share transfers in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt by the Registrar and Transfer Agent so long as the documents have been clear in all respects. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository participants. The company as per SEBI Guidelines offers the facility of transfer cum demat. There are no pending share transfers and requests for demat as on 31st March, 2008. In compliance with the Listing Agreement with the Stock Exchanges, a Practising Company Secretary carries out an Audit of the System of Transfer and a certificate to that effect is issued.

TELESYS SOFTWARE LIMITED

SHARE PRICES:

Stock Code : 532315

Market Price Data :

High, low (based on the closing prices) and number of shares traded during each month in the financial year 2007-2008 on the Bombay Stock Exchange Limited

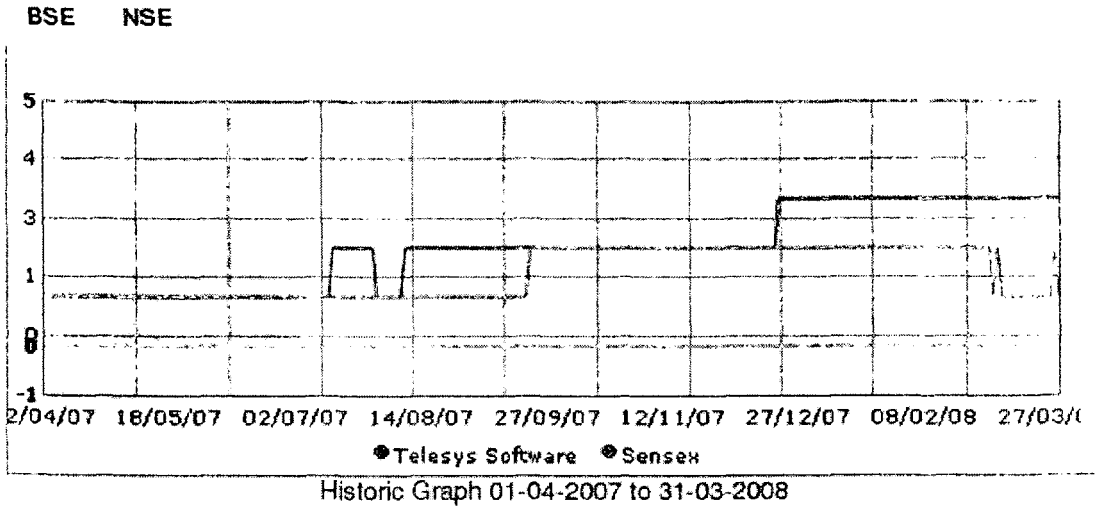
BOMBAY STOCK EXCHANGE LIMITED			
Month	High (Rs.)	Low (Rs.)	Total Number of Shares Traded
April - 2007	1.38	1.16	43765
May - 2007	1.44	1.14	89008
June - 2007	1.50	1.17	53238
July - 2007	1.72	1.20	169271
Aug - 2007	2.46	1.30	724424
Sept - 2007	2.43	1.80	412829
Oct - 2007	2.41	1.68	132862
Nov - 2007	2.44	1.36	339477
Dec - 2007	3.33	1.72	670202

Note : The Market price data is not available after 31st December, 2007 as the trading in securities of the Company was suspended by BSE from 31st December, 2007.

TELESYS SOFTWARE LIMITED

PERFORMANCE OF SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX

Historic Graphs



(For selected period)	BSE	NSE
High	3.33	
Low	1.14	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Management Discussion and Analysis Report is included in the Directors Report and forms part of the Annual Report.

XII. COMPLIANCE CERTIFICATE OF THE AUDITORS :

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors Report and Management Discussion and Analysis. The certificate from the Statutory Auditors will be sent to the listed Stock Exchanges along with the Annual Reports of the Company.

XIII. CHIEF EXECUTIVE OFFICER CERTIFICATE :

The Chief Executive Officer have certified to the Board as required under Clause 49(v) of the Listing Agreement and the same is annexed to and forms part of this report.

TELESYS SOFTWARE LIMITED

SHARE HOLDING PATTERN as on 31st March 2008:

Category	Shares	%
A. Promoters Holding:		
1. Promoters		
Indian Promoters	1325000	5.7025
Foreign Promoters	-	-
2. Persons Acting in concert		
Sub- Total	1325000	5.7025
B. Non Promoters Holding:		
3. Institutional Investors		
a) Mutual Funds and UTI	-	-
b) Banks, Financial Institution, Insurance Companies (Central/State Govt/Institutions/ Non-Govt Intuitions)	100	0.0004
c) FII's	-	-
Sub - Total	100	0.0004
4. Others:		
a. Private Bodies Corporate	5663636	24.3751
b. Pan Link Consultants	23650	0.1017
c. Indian Public	16214573	69.7843
d. NRI/ OCB's	8291	0.0356
e. Any Other (Please Specify)	-	-
Shares in Transit		
Forfeited Shares		
Foreign National		
Sub- Total	21910150	94.2967
Grand Total	23235250	100.00

TELESYS SOFTWARE LIMITED

DISTRIBUTION SCHEDULE AS ON 31.03.2008:

No of Equity Shares held	No of shareholders	%	No of shares	%
Upto 5000	25395	91.3653	3243951	13.9613
5001-10000	1105	3.9755	978332	4.2105
10001-20000	604	2.1730	988309	4.2534
20001-30000	204	0.7339	532648	2.2924
30001-40000	88	0.3166	322759	1.3890
40001-50000	132	0.4749	638863	2.7495
50001-100000	145	0.5216	1149503	4.9472
100001 and above	122	0.4389	15380885	66.1963
Total	27795	100.00	23235250	100.00

Dematerialisation of Shares and Liquidity:

The company's shares are available for trading on both the depositories in India viz., National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2008 the details of shares in demat mode and in physical mode are as under :

No. of shares in Physical mode : 15199310

No. of shares in dematerialized mode : 8035940

Under the Depository system the International Securities Identification Number (ISIN) allotted to the Company's Shares is **INE042B01012**

Outstanding GDRs/ADRs/Warrants : Nil

SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

TELESYS SOFTWARE LIMITED

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

**Registrar and Transfer Agents : Cameo Coporate Services Limited,
1, Subramanian Building, Club House Road,
Mount Road, Chennai - 600 002.**

Factory Location : Nil

For and on behalf of the Board

Sd/-

Sd/-

**Director
(Heerachand Surana)**

**Director
(Y. Sathyakumar)**

Date : 04.09.2008

Place : Chennai

DECLARATION REGARDING COMPLIANCES BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for the members of the Board and Senior Management Personnel. I confirm that the company has, in respect of the financial year ended 31st March, 2008, received from the members of the Board and Senior Management Team of the Company, a declaration of compliance with the code of conduct as applicable to them.

**Sd/-
Heerachand Surana
Chairman**

Place : Chennai

Date : 04.09.2008

TELESYS SOFTWARE LIMITED

AUDITORS CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

REGISTRATION NO. OF THE COMPANY : 18-023621

NOMINAL CAPITAL : RS. 25,00,00,000/-

**TO
THE MEMBERS OF TELESYS SOFTWARE LIMITED
CHENNAI**

We have examined all the relevant records of M/s. **TELESYS SOFTWARE LIMITED** for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with BSE for the financial year ended on 31st March, 2008. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the applicable mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and the company has adopted the non-mandatory requirements with regard to setting up of a remuneration committee.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agents of the Company have maintained records to show Investors' Grievances against the Company and have certified that as on 31st March, 2008 there were no investor grievances remaining unattended / pending for a period exceeding one month.

For M/s. Venkat & Rangaa, Chartered Accountants

Sd/-

**(S. Mohanrajan)
Partner
Membership No. 206393**

Date : 04.09.2008

Place : Chennai

TELESYS SOFTWARE LIMITED

CERTIFICATION BY CEO/CFOs issued pursuant to revised Clause 49 of the Listing Agreement.

The Board of Directors
TELESYS SOFTWARE LIMITED
CHENNAI.

Re : Financial Statements for the year 2007-08 - Certification by CEO and CFO

I, Heerachand Surana, Chairman of M/s. **TELESYS SOFTWARE LIMITED, CHENNAI** on the basis of review of the financial statements and the Cash Flow Statement for the financial year ending 31st March, 2008 and to the best of my knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2008 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. Based on my observance and on the basis of submission received through sub-certification process, I certify that internal controls for financial reporting are established, maintained and are effective considering the nature and size of the business. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.
5. We further certify that :
 - (a) There have been no significant changes in internal control during this year.
 - (b) There have been no significant changes in accounting policies during this year.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Sd/-
(Signature of the Certifying Authority)
Heerachand Surana
(Chairman)

Date : 04.09.2008
Place : Chennai

TELESYS SOFTWARE LIMITED

AUDITORS' REPORT TO THE MEMBERS OF TELESYS SOFTWARE LIMITED

We have audited the attached Balance Sheet of Telesys Software Limited ("the Company") as at 31st March 2008 and the Profit & Loss Account and 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.

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

1. As required by the Companies (Auditor Report) Order, 2003, as amended by the Companies (Auditors Report) Amendment Order, 2004 ("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") we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. 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, the Company has kept proper books of account as required by Law so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet, Profit & 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 the written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - (vi) In our opinion and to the best of our information and according to the 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:-

TELESYS SOFTWARE LIMITED

- i. in the case of the balance sheet, of the state of Affairs of the Company as at 31st March 2008; and
- ii. in the case of the Profit & Loss Account of the Loss of the company for the year ended on that date.
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date. The Cash Flow Statement has been prepared by the company in accordance with the requirements of Clause 32 of the listing agreements entered into with the Stock Exchange.

Place: Chennai
Date: 30/06/2008

FOR VENKAT & RANGAA
Chartered Accountants

Sd/-

S. Mohanraajan
Partner
M No. 206393

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in our report to the members of M/s. Telesys Software Limited ("the Company") for the year ended 31st March 2008.

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

b) All the assets have been physically verified by the management during the year and there is 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) During the year, Software which was not required was disposed by the company along with the Capital Work in Progress. We are informed that the same will not affect the working of the company as they do not constitute a substantial part of fixed assets during the year.
2. The company does not have any inventory. Accordingly, paragraph 4(ii) of the order is not applicable
3. The Company has neither taken nor granted any loans, secured and unsecured to/from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act 1956.

TELESYS SOFTWARE LIMITED

4. 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. The company has not entered into any contracts or arrangements attracting provisions of Section 301 of the Companies Act 1956. Accordingly, clause 4(v) of the order is not applicable
6. The company has not accepted any deposits from the public and hence provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 are not applicable. Accordingly, clause 4(vi) of the order is not applicable
7. In our opinion the company has an internal audit system commensurate with its size and nature of its business.
8. The Company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956. Accordingly, clause 4(viii) of the order is not applicable
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues such as Income tax, Sales tax, education cess and other material statutory dues applicable to it.

b) According to the information and explanations given to us there are no disputed amounts payable in respect of income tax, sales tax, education cess were in arrears as at 31st March 2008 for a period of more than six months from the date they become payable.
10. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the company has not availed any loan from financial institution, banks or debenture holders and hence the question of default in repayment doesn't arise.
12. 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 order is not applicable.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.

TELESYS SOFTWARE LIMITED

14. The company is not dealing or trading in shares, securities, debentures and other investments. The investments in shares, securities, debentures and other forms of investments were held in the name of the company.
15. The company has given guarantee to Andhra Bank, Sowcarpet Branch for Rs. 20.48 Crores against Term Loan sanctioned to M/s.Chitra Bio Energy Ltd and the terms and conditions whereof are not prejudicial to the interest of the company.
16. According to the information and explanations given to us, we report that the company has not raised any term loan during the year.
17. According to the information and explanations given to us, we report that the company has not raised any short-term or long-term funds during the year.
18. According to the information and explanations given to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the period covered by this audit report, the company has not issued any debentures.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For VENKAT & RANGAA
Chartered Accountant

Place: Chennai
Date: 30.06.2008

Sd/-

S.Mohanrajan
Partner

M. No. 206393

TELESYS SOFTWARE LIMITED

BALANCE SHEET AS AT 31.03.2008

Particulars	Sch	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share capital	1	232,352,500	232,352,500
Reserves & Surplus	2	34,949,500	34,949,500
LOAN FUNDS			
Secured Loans		-	-
Unsecured Loans		-	-
Deffered Tax Liability (Net)		1,443,306	1,916,112
		268,745,306	269,218,112
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	74,393,364	177,435,710
Less: Depreciation		66,885,668	63,855,410
Net Block		7,507,696	113,580,300
Goodwill on Amalgamation		15,183,640	30,367,280
INVESTMENTS	4	30,370,125	25,770,125
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		-	-
Sundry Debtors	5	66,855,228	-
Cash And Bank Balances	6	6,043,197	3,202,774
Loans and Advances	7	125,467,553	53,647,434
Sub Total		198,365,978	56,850,208
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	46,345,875	9,100,000
Provisions	8A	6,696,480	3,025,815
NET CURRENT ASSETS		145,323,623	44,724,393
Miscellaneous Expenditure (To the extent not written off or adjusted)	9	538,784	1,490,392
Profit & Loss Account		69,821,438	53,285,621
		268,745,306	269,218,112
Significant Accounting Policies & Notes to Accounts	12		
For and on behalf of board			As per our report of Even date for Venkat & Rangaa Chartered Accountants
Sd/-	Sd/-		Sd/-
Y.Satya Kumar Director	Heera Chand Surana Director		S Mohanraajan Partner
Place: Chennai			Membership No.206393
Date: 30/06/2008			

TELESYS SOFTWARE LIMITED

Profit and Loss Account for the year ended March 31, 2008

	Schedule	As On 31/03/2008	As On 31/03/2007
INCOME			
Sales and service Income		65,955,461	2,294,570
Other income	10	6,238,693	1,801,364
profit on sale of shares		-	11,008
profit on sale of land		11,229,024	34,484,620
		83,423,178	38,591,562
EXPENDITURE			
Decrease in Inventories		-	-
Software Development Expenses	10A	64,263,870	4,795,033
Operating & Administrative expenses	11	16,617,401	16,239,745
Depreciation		3,030,259	4,991,237
Preliminary Expenses Written off		951,608	951,607
Goodwill Written Off		15,183,640	15,183,640
		100,046,778	42,161,261
PROFIT BEFORE TAX		(16,623,600)	(3,569,699)
Provision for FBT		31,251	8,196
Provision for taxation-Current		353,772	303,552
Provision For Deferred Tax - Asset		(472,806)	(1,117,336)
PROFIT AFTER TAX		(16,535,817)	(2,764,111)
		(16,535,817)	(2,764,111)
Add: Balance brought forward		(53,285,621)	(50,521,510)
Balance carried to Balance sheet		(69,821,438)	(53,285,621)
Earning Per Share - Basic & Diluted (Rs.)		(0.72)	(0.15)
Weighted Average Number of Shares		23,235,250	23,235,250
Notes to Accounts	12		

For and on behalf of board

Sd/-

Y.Satya Kumar
Director

Place: Chennai
Date : 30/06/2008

Sd/-

Heera Chand Surana
Director

As per our report of Even date
for Venkat & Rangaa
Chartered Accountants
Sd/-

S Mohanraajan
Partner
Membership No.206393

TELESYS SOFTWARE LIMITED

Schedules forming part of Accounts

Particulars	As at March 31, 2008	As at March 31, 2007
SCHEDULE 1	Rs	Rs
Authorized		
25000000 Equity Shares of Rs. 10/- each (Py 25000000)	250,000,000	250,000,000
Issued and Subscribed & Paid Up:-	<u>232,352,500</u>	<u>232,352,500</u>
23235250 (Py 23235250) Equity shares of Rs. 10/- each	<u>232,352,500</u>	<u>232,352,500</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Share Premium	<u>34,949,500</u>	<u>34,949,500</u>
	<u>34,949,500</u>	<u>34,949,500</u>
SCHEDULE 3		
FIXED ASSETS		
(Separate Statement Attached)		

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE 3
FIXED ASSETS

(Rs. in thousands)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2007	Additions	Deletions	As at 31.3.2008	Up to 01.04.2007	for the period	Deletion	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
Computers, Softwares & Peripherals	115,115,978	1,474,512	44,881,228	71,709,262	62,897,451	2,944,615		65,842,066	5,867,196	52,218,527
Office Equipments	1,543,444		-	1,543,444	936,233	84,463	-	1,020,696	522,748	607,211
Vehicles	26,288	-	-	26,288	21,725	1,181	-	22,906	3,382	4,563
	116,685,710	1,474,512	44,881,228	73,278,994	63,855,409	3,030,259	-	66,885,668	6,393,326	52,830,301
Building Under Construction		1,114,370		1,114,370					1,114,370	
Capital work in progress (Software under development)	60,750,000	-	60,750,000	-	-	-	-			60,750,000
	177,435,710	2,588,882	105,631,228	74,393,364	63,855,409	3,030,259	-	66,885,668	75,07,696	113,580,301

TELESYS SOFTWARE LIMITED

SCHEDULE 4

INVESTMENT

Quoted Investments - Fully Paid

Sharpre Infotech India Limited Cost of 1183933 (p.y 1183933) Equity Shares of face value Rs 10/each	1,760,000	1,760,000
Omni Ax's software limited Cost of 3563600 (p.y 3498600) Equity Shares of face value Rs 10/each	3,262,426	3,182,426
SMR Universal Softtech Limited Cost of 1052400 (p.y.489500) Equity Shares of face value Rs 10/each	2,017,239	2,017,239
Twincities Infotech Limited Cost of 894500 (p.y.694500) Equity Shares of face value Rs 10/each	1,245,815	1,245,815

Non Quoted Investments - Fully Paid

J.C. Bitotech Pvt Limited cost of NIL (p.y.350000) Equity shares of face value Rs 10 each	-	3,500,000
Baghmar Finance Limited cost of 50000(p.y.325000) Equity shares of face value Rs 10 each	1,000,000	6,500,000
Dynamic Securities Limited Cost of NIL (p.y.23000) shares Equity shares of face value Rs 10 each	-	3,830,000
Manas labs limited cost of NIL (p.y.265000) Equity shares of face value Rs 10 each	-	26,50,000
Parque foods&Exports Limited cost of 198300(p.y.198300) Equity shares of face value Rs 10 each	244,514	244,514
Pentagon Global Solutions limited cost of 880275(p.y.880275) Equity shares of face value Rs 10 each	840,131	840,131
Chenitan Color Chem Pvt. Limited cost of 40000 (p.y.NiL) Equity shares of face value of Rs.10 each	20,000,000	-
	30,370,125	25,770,125

SCHEDULE 5

SUNDRY DEBTORS

(Unsecured)

a) Debts outstanding for a period exceeding six months

Considered Good	-	-
Considered Doubtful	-	-

b) Others

Considered Good	66,855,228	-
Considered Doubtful	-	-
	66,855,228	-
Less : Provision for Doubtful Debts	-	-
	66,855,228	-
Directors or other officers	-	-
	66,855,228	-

TELESYS SOFTWARE LIMITED

SCHEDULE 6

CASH AND BANK BALANCES

Cash on hand	1,417,712	380,057
Bank Balance -		
With Scheduled Banks on current accounts	46,25,485	1,072,716
In Fixed Deposits	-	1,750,000
Others	-	-
	<u>6,043,197</u>	<u>3,202,773</u>

SCHEDULE 7

LOANS AND ADVANCES

(Unsecured considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

a) Outstanding for a period exceeding six months		
considered good	38,805,824	29,123,139
Considered Doubtful	-	-
b) Others		
Considered good	85,552,160	23,762,901
Considered doubtful	-	-
	<u>124,357,984</u>	<u>52,886,040</u>
Less : Provision for Doubtful loans and advances	-	-
Tax Deducted At Source	124,357,984	52,886,040
Opening Balance	761394.00	1,109,569
Add: Additions During the Year	<u>348175.00</u>	761,394
Advances & Deposits		<u>53,647,434</u>
	<u>125,467,553</u>	<u>53,647,434</u>

Note :

Advances recoverable in cash or in kind or for value to be received include intercorporate deposits

SCHEDULE 8

CURRENT LIABILITIES

(a) Total Outstanding Dues to SSIs	-	-
(b) Total Outstanding Dues to Creditors other than SSIs	46,345,875	9,100,000
	<u>46,345,875</u>	<u>9,100,000</u>

SCHEDULE 8 A

PROVISIONS

Provision for Taxation	3,351,391	2,997,619
Advance Received	3,274,512	-
Provision for Expenses	39,326	20,000
Provision for FBT	31,251	8,196
	<u>6,696,480</u>	<u>3,025,815</u>

SCHEDULE 9

MISCELLANEOUS EXPENDITURE

Opening Balance	1,490,392	2,441,999
Less: Written off during the year	951,608	951,607
	<u>538,784</u>	<u>1,490,392</u>

TELESYS SOFTWARE LIMITED

SCHEDULE 10

OTHER INCOME

Interest Received (Less : TDS cy Rs.348,175, ly Rs.413,191)	6,238,693	1,801,364
	<u>6,238,693</u>	<u>1,801,364</u>

SCHEDULE 10 A

SOFTWARE DEVELOPMENT EXPENSES

Salaries Allowances & Incentives	2,997,235	1,589,000
Staff Welfare-Employees	166,885	116,533
Cost of Software Packages & computer Maintenance	61,099,750	3,089,500
	<u>64,263,870</u>	<u>4,795,033</u>
Travelling & Conveyance	1,357,685	121,750
Rent	139,000	80,000
Electricity	106,067	81,950
Postage & Courier	375,137	297,720
Printing & Stationary	199,084	156,540
Repairs & Maintenance - Building	-	-
- Machineries	9,594	-
Advertisement & Marketing Expenses	1,700	6000
Telephone Charges	2,018	-
Loss on sale of assets	-	382,158
Loss on sale of shares - short term	13,720,000	6,448,427
Auditors Remuneration	58,651	25,000
Miscellaneous Expenses	123,184	84,388
Bank Charges	80,264	11,255
Bad debts	-	8,371,238
service tax paid	-	64,926
NSDL Fees	23,373	66,443
Listing Fees	76,234	-
share transfer agent fees	20,000	27,450
Consultancy Charges	42,000	14,500
Business Promotion Exp	234,910	-
	<u>16,617,401</u>	<u>16,239,745</u>

For and on behalf of board

Y.Satya Kumar

Director

Sd/-

Place: Chennai

Date: 30/06/2008

Heera Chand Surana

Director

Sd/-

As per our report of Even date

Sd/-

Venkat & Rangaa

Chartered Accountants

S Mohanraajan

Partner

Membership No.206393

TELESYS SOFTWARE LIMITED

SCHEDULE-12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I Significant Accounting Policies

1. Basis of preparation of Financial Statements:

The Financial Statements have been prepared in accordance with the generally accepted accounting principles on accrual basis and comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 as adopted consistently by the company. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2. Revenue Recognition:

Revenue from software development is recognized at the time of invoicing them to customers

3. Fixed Assets:

Fixed assets are stated at historical cost less accumulated depreciation.

4. Investments:

Investments are classified as long-term investments and current investments. Long-term investments are stated at cost and any decline other than temporary, in the value of such investments is charged to the Profit and Loss Account. Current investments are stated at lower of cost and market value. Investments are held in the name of the company. As on the date of the balance sheet all investments made by the Company are Long term investments only.

5. Depreciation:

Depreciation on fixed assets is provided on written down value basis at the rates prescribed in schedule XIV to the Companies Act, 1956. The Company has provided depreciation only on the assets utilized during the year.

6. Segment:

The Company operates in only one segment that is Software development and sales in India only.

TELESYS SOFTWARE LIMITED

II Notes on Accounts

1. Miscellaneous Expenditure represents preliminary expenses amortised over a period of five years and public issue expenses to be written off over a period of ten years.
2. Goodwill is written off over a period five years equally.
3. In compliance with the Accounting Standard – AS 22 relating to “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the deferred tax asset has been created.
4. Software under development was transferred as stock and sold during the year.
5. Related Party Disclosure:
As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of transaction with the related parties are given below:

I Name of the related party:

Key Management Personnel (KMP):

HeeraChand Surana, Chairman (Executive)

Y.Satya Kumar, Director (Managing Director up to 10.12.2007)

MVC Kutty, Director (upto 12.06.2008) (Executive)

II Disclosure of related party transaction:

Nature of transaction	Nature of Relationship	Amount
Directors' Remuneration	KMP	Nil
Sitting Fees	KMP	Rs.3200

6. Auditors' Remuneration:

	2007-08	2006-07
	Rs.	Rs.
Audit Fees	58,651	25,000
	<hr/>	<hr/>
	58,651	25,000
	<hr/>	<hr/>

7. Contingent Liability - Rs.20.48 Crores
8. Expenditure in Foreign Currency – Nil
9. CIF Value of imports-Capital Goods –Nil

TELESYS SOFTWARE LIMITED

10. Earnings Per Share:	2007-08	2006-07
Profit/ (Loss) after Tax as per Accounts	(16623600)	(3569699)
Weighted Average Number of Equity Shares	2,32,35,250	2,32,35,250
EPS Basic & Diluted (Rs)	(0.72)	(0.15)

11. Information pursuant to the provisions in part II of Schedule VI of the Companies Act, 1956 – Expenditure on employees drawing remuneration of Rs. 24 Lacs or more per annum when employed throughout the year or Rs. 2,00,000/- or more per month when employed for part of the year – Nil
12. As the Company is engaged in the development of software, it is not possible to give the quantitative details.
13. Previous year's figures have been regrouped or restated wherever necessary to conform to the current year's presentation.

**For Venkat & Rangaa
Chartered Accountants**

Sd/-

Y.Satyakumar
Director

Sd/-

Heera Chand Surana
Director

Sd/-

S Mohanraajan
Partner
Membership No.206393

Place: Chennai
Date: 30th June 2008

TELESYS SOFTWARE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	(Rs.in Lakhs)	
	2007-08	2006-07
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/Loss After Tax And Extra Ordinary Items	(170.08)	(38.82)
Adjustment for:		
- Depreciation	30.30	49.91
- Miscellaneous expenses written off	9.52	9.52
- Loss on sale of Fixed Assets & Shares	137.20	64.48
Profit on sale of shares	-	-
Goodwill Written off	151.84	151.84
Operation Profit before Working Capital Changes	158.78	236.93
Adjustment for:		
- Trade Receivables & other assets	(668.55)	130.22
- Inventories	-	-
- Other Payables	409.17	52.61
Net Cash From Operating Activities	(100.62)	419.76
B: CASH FLOW FROM INVESTING ACTIVITIES:		
- Purchase of Fixed Assets	(25.89)	(261.75)
- Sale of Fixed Assets	1,056.31	13.07
Loans & Advances	(718.20)	119.68
- pur of Investments	(183.20)	(268.97)
sale of investments	-	-
Net Cash used in Investing Activites	129.02	(397.97)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
- Proceed From Issue Of Share Capital	-	-
Increase In Unsecured Loan	-	-
- Fees paid for Increase In Authorised Capital	-	-
- Other income	-	-
Net Cash From Financing Activies	-	-
D: NET INCREASE IN CASH AND CASH EQUIVALENTS	28.41	21.78
E.Cash & Cash equivalents at the beginning of the year	32.02	10.23
F.Cash and Cash Equivalents at the end of the year	60.43	32.02

Place :Chennai
Date :30/06/2008

Sd/-
Y.Satya Kumar
Director

AUDITORS CERTIFICATE

We have examined the attached cash flow statement of Telesys Software Limited(the company) for the year ended 31st March 2008.The statement has been prepared by the company in accordance with the requirements of Listing Agreement and is based on and in agreement with the Corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

Place :Chennai
Date :30/06/2008

Sd/-
Venkat &Rangaa
Chartered accountants
S. Mohanraajan, Partner
Membership No.206393

TELESYS SOFTWARE LIMITED

PART IV - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
As per Part IV	
Schedule VI of the Companies Act , 1956	
1.REGISTRATION DETAILS	
Registration No.: 023621	State Code 18
Balance Sheet Date - 31.03.2008	
II.CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)	
Public Issue = Nil	Right issue = Nil
Bonus Issue = Nil	Private issue = Nil
III.POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)	
Total Liabilities = 268745.31	Total Assets = 268745.31
SOURCE OF FUNDS	
Paid up Capital = 232352.50	Reserves & Surplus = 34949.50
Secured Loan = Nil	Unsecured Laons = Nil
	Deffered tax Liability = 1443.31
APPLICATION OF FUNDS	
Goodwill on Amalgamation = 15183.64	
Net Fixed Assets = 7507.70	Investments = 30370.13
Net Current Assets = 145323.62	Misc. Expenditure = 538.78
Accumulated Losses = 69821.44	
IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)	
Total Income = 83423.18	Total Expenditure = 100046.78
Profit/ (Loss) before tax = (16623.60)	Profit/Loss after tax = (16535.82)
Earning per Share in Rs. = (0.72)	Dividend Rate % = Nil
V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per Monetary terms)	
Item Code No.	NA
Product Description : Development of Software	

TELESYS SOFTWARE LIMITED

TELESYS SOFTWARE LIMITED

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

PROXY FORM

16th ANNUAL GENERAL MEETING

Reg. Folio No./DP ID & Client ID* _____

I/We _____ of _____
in the district of _____ being a Member / Members of TELESYS SOFTWARE
LIMITED hereby appoint _____ of
_____ in the district of _____ or failing him
_____ of _____ in
the district of _____ as my /our Proxy to attend and vote for me/us on my/our
behalf at the 16th Annual General meeting of **Telesys Software Limited** to be held on Tuesday,
30th September, 2008 at 9.30 a.m. at Nalvar Thirumana Maligai, 136 (48) SRP Koil Street, Agaram,
Chennai - 600 082 or any adjournment thereof.

Signed this _____ day of _____ 2008.

Signature(s) of the Shareholder(s)

Signature of Proxy

NOTE: This form must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

*Applicable for investors holding shares in electronic (dematerialized) form.

_____ CUT HERE _____

TELESYS SOFTWARE LIMITED

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

To be handed over at the entrance of the Meeting Hall

ATTENDANCE SLIP

16th ANNUAL GENERAL MEETING

I hereby record my presence at the 16th ANNUAL GENERAL MEETING held on Tuesday, 30th September, 2008 at 9.30 a.m. at Nalvar Thirumana Maligai, 136 (48) SRP Koil Street, Agaram, Chennai - 600 082.

Reg. Folio No./DP ID & Client ID* _____

No. of Shares: _____

Full Name of the Shareholder (in block letters)	Signature
**Full Name of the Proxy (in block letters)	Signature

* Applicable for Investors holding Shares in electronic (Dematerialized) form. ** (To be filled in if the Proxy attends instead of the Member)

BOOK POST

If Undelivered Please Return to :-
REGISTERED OFFICE
New No.72, Old No. 33, First Floor,
Giri Road, T. Nagar,
Chennai - 600 017.