



THE ERP PEOPLE

M A A R S

Software International Limited

14th ANNUAL REPORT

2009-2010

Corporate Identity Number L72300TN1995PLC032675

BOARD OF DIRECTORS

Mr. Nikunj Babulal Choradiya Managing Director
Mr. T. Varadharajan Executive Director
Mr. Shivprakash Agarwal Director (ceased on 09/10/2010)
Mr. Sangameshwar Mahapure Director (appointed on 07/10/2010)
Mr. Harshvardhan Rathore Director
Auditor **Agrawal Jain & Gupta,**
Chartered Accountants, Jaipur
Registered Office Q-205, Real Enclave, 2nd Floor, No 22, Joshier Street,
Nungambakkam, Chennai - 600 034.
Bankers **ICICI Bank Limited,**
Lokhandwala Branch,
Andheri (West), Mumbai
Registrar & Transfer Agent **M/s. Cameo Corporate Services Limited**
"Subramanian Building" No 1,
Club House Road, Chennai - 600 002.

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NOTICE

NOTICE is hereby given that the **14TH Annual General Meeting of Maars Software International Limited** will be held at “JC Mahal, Kodungaiyur, Chennai – 600 118” on Thursday 31st March 2011 at 9.00A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30th June 2010 and Audited Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To Appoint a Director in place of Mr. T. Vardharajan who retires by rotation and being eligible offers himself for re-appointment.
3. Regularize the appointment of Mr. Sangameshwar Mahapure who was appointed as Additional Director on 7th October 2010.
4. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** M/s. **Agrawal Jain & Gupta**, Chartered Accountants, who retire at the ensuing Annual General Meeting, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, upon such remuneration in addition to the reimbursement of traveling and other out of pocket expenses incurred incidental to their functions, as may be agreed to between the Board of Directors of the Company and the Auditors and that the Board of Directors of the Company be and are hereby authorized to fix the remuneration as aforesaid.”

By Order of the Board of Directors

sd/-
Director

Place: Mumbai
Date: 10.03.2011

Registered Office:

Office No Q -205, Second Floor,
Real Enclave, No. 22,
Josier Street, Nungambakkam,
Chennai-600 034.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed on Thursday, 31st March 2011.
3. The members are requested to:
 - (a) Intimate to the Company's Registrars and Share Transfer Agents, M/s Cameo Corporate services Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
 - (b) Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
5. Members / beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all correspondence with the company.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Fourteenth Annual Report** together with the Audited Accounts for the year ended 30th June, 2010 and also in highlighting the performance of the Company in the previous year along with the scope of the profit generating capacity of the Company in the years to come.

FINANCIAL HIGHLIGHTS**(Rs. In lakhs)**

	2009-2010	2008-2009
Profit Before Interest, Depreciation and Tax	(1421.52)	25.74
Less: Interest & other finance costs	—	—
Depreciation and Amortization	252.13	205.37
Profit / (Loss) Before Tax	(1673.65)	(179.62)
Less: Provision for Taxes (Current & Deferred)	(55.98)	190.94
Profit / (Loss) After Tax	(1617.67)	(370.56)
Less: Previous Period Adjustments	—	—
Less: Appropriations	—	—
Proposed final dividend- Equity Shares	—	—
- Preference share	—	—
Tax on Dividend	—	—
Add/ (Less) : Balance Brought forward from the previous year	(335.29)	35.28
Balance Carried Forward	(1952.96)	(335.28)

TURNOVER AND PROFITS

During the year under review, due to the increase in competition in the IT Sector and the effects of the global meltdown in the previous year, the company has incurred a loss before tax of Rs 16,73,65,262/- and the loss before providing depreciation and amortization was Rs 14,21,51,868/- but Net Loss after Tax amounted to Rs 16,17,67,024/-

OVERALL PERFORMANCE

The company in the year under consideration has survived the competition and managed to maintain and perform its business activities. The Company has consolidated its business activities in order to remove those which were having a negative impact on the Turnover of the Company. The company's portfolio of activities includes those activities wherein Company has emerged as a competitive organization and wherein Company can integrate its Business.

During the Financial Year under consideration i.e. 2009-2010, the Company has incurred a loss before tax of Rs 16,73,65,262/-

DIVIDEND

In view of the loss suffered by your Company during the year, Directors show their inability to recommend any dividend during the year.

FUTURE OUTLOOK

The future for Indian information technology sectors is growing due to the advancement in the technology and growing demand of from the service sectors for the provision of the better IT services. The IT sectors have had a history of out performing the growth target perceived by various authorities. During the year under review the IT Sector has just been coming out of the economic crisis and the deficit suffered by the Financial Markets in the previous year. The financial markets influence the business cycle indirectly impacting the non-financial sectors, domestic and commercial consumptions of the goods and services. However even though there was a financial deficit your Company maintained its activities and has on the basis of the current experience planned its future activities.

SUBSIDIARIES- The Company has two wholly owned subsidiaries namely M/s Maars Infratech Private Limited and Maars Software International Limited FZLLC- Dubai. The details on these subsidiaries are outlined in the Management Discussion and Analysis Section appended to this Report.

CONSOLIDATED FINANCIALS

The Audited Consolidated Financial Statements for the year ended 30th June 2010 are annexed to this report. It may be noted that the financial year of the Company has been extended for a period of 3 months. Consequently, the current financial year is for 15 months i.e. from 01/04/2009 to 30/06/2010. Further, the reports and standalone audited financial statements of subsidiary companies viz. M/s Maars Infratech Private Limited & Maars Software International Limited FZLLC- Dubai are annexed to this report along with the statement pursuant to Section 212 (1) (e) which also forms part of this Annual Report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the Corporate Governance Report along with Certificate by the Practicing Company Secretary on its compliance, Management Discussion and Analysis Report forms a part of this Annual Report.

DIRECTORS**Retiring Directors by Rotation:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. T. Vardharajan retires by rotation, and being eligible offers him self for re-appointment. Appropriate resolutions for re-appointment of aforesaid director are being moved at the ensuing Annual General Meeting. Brief resume of retiring directors are given in the notice of Annual General Meeting.

Additional Directors:

In accordance with Section 260 of the Companies Act 1956 and Articles of Association of the Company, Mr. Sangameshwar Mahapure was appointed as Additional Director wef- 7th October 2010.

Mr. Sangameshwar Mahapure, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice from one of the Member signifying his / her intention to propose the appointment of Mr. Sangameshwar Mahapure as Director of the Company and appropriate resolutions for his appointment are being moved at the ensuing Annual General Meeting.

Independent Directors:

In accordance with Section 260 of the Companies Act 1956 and Articles of Association of the Company, Mr. Sangameshwar Mahapure was appointed as Additional Director wef- 7th October 2010. It may be noted that Mr. Shivprakash Agarwal ceased as Director of the Company on 9th October 2010.

Mr. Sangameshwar Mahapure, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice from one of the Member signifying his / her intention to propose the appointment of Mr. Sangameshwar Mahapure as Director of the Company and appropriate resolutions for his appointment are being moved at the ensuing Annual General Meeting.

Mr. Sangameshwar Mahapure was appointed as Additional Director wef- 7th October 2010.

He was designated as the Independent Director of the Company w.e.f 7th October 2010. The said Terms and conditions are subject to Member's approval and the same is sought to be ratified from the members of the Company in this said Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, the Directors of the company hereby state and confirm that:

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed:
- (2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June 2010 and of the profits of the Company for the year ended on that date;
- (3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) They have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public in accordance with Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

Information of the employees of the category specified in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is contained in Annexure-A appended to this report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Considering nature of activities carried on by the Company and the list of industries included in the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, the consumption of the Energy by the company has been to the minimal level and your company has taken all the steps necessary to conserve the energy as and where required.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in Rupees)

Foreign Exchange Earnings	NIL
Foreign Exchange Outgo	NIL
Travel expenses	NIL
(Cost of production)	NIL
Total Foreign Exchange Outgo (Business / Travel)	NIL

AUDITORS

It is proposed to re-appoint the retiring auditors M/s. **Agrawal Jain & Gupta**, Chartered Accountants, as the Statutory Auditors of the Company. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for such appointment within the meaning of Section 226 of the said Act.

The notes on Accounts referred to in the Auditor's Report are self explanatory and therefore does not call for any further comments.

INTERNAL CONTROL SYSTEM

The Company has in place appropriate internal control systems, commensurate with its size and nature of operations.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and sincere gratitude to the various Departments of the Central and State Government, Company's Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors place on record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Director

Place : Chennai
Date : 10.03.2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Developments:**

Technology, especially information technology has transformed business by creating productivity gains and new business models in the last decades. This has resulted in the increased importance of IT to the success of companies worldwide. Changing economic and business conditions, rapid technological innovation, proliferation of the internet and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Customers are increasingly demanding improved products and services with accelerated delivery times and at lower prices. To adequately address these needs, corporations are focusing on their core competencies and are using outsourced technology service providers to help improve productivity develop new products, conduct research and development activities, reduce business risk, and manage operations more effectively.

The role of technology has evolved from supporting corporations to transforming them. The ability to design, develop, implement, and maintain advanced technology platforms and solutions to address business and customer needs has become a competitive advantage and a priority for corporations worldwide. Concurrently, the prevalence of multiple technology platforms and a greater emphasis on network security and redundancy have increased the complexity and cost of IT systems, and have resulted in greater technology related risks. The need for more dynamic technology solutions and the increased complexity, cost and risk associated with these platforms have created a growing need for specialists with experience in leveraging technology to help drive business strategy.

Opportunities and ThreatsOpportunities

India, in the recent years, is witnessing higher investments in infrastructure activities, so the atmosphere for the IT Industry is expected to be more conducive in the time to come.

There is an increasing need for highly skilled technology professionals in the market in which we operate. At the same time, corporations are reluctant to expand their internal IT department and increase costs. These factors have increased Corporations reliance on their outsourced technology service providers and are expected to continue driving future growth for outsourced technology services.

India is fast developing as a IT Hub and the premier destination for offshore technology services. According to NASSCOM's strategic review 2007, the Indian IT-BPO sector would achieve USD 60billion in export revenue by FY 2010 we believe that our robust quality process and our access to skilled talent base at lower cost of providing services places us in a unique position to take advantage of the trend towards outsourcing IT Services.

Threats:

There is a significant amount of competitions from Indian and Foreign Companies operating in the similar segment. Intense competition for the limited 'quality' talent and skilled professional required to perform the services we offer is a significant threat, looking ahead. These risks are broadly country risks. At an organizational level we have well-defined contingency plans to address the unforeseen events and minimize their impact on the services delivered.

Outlook

The Global IT Industry is expected to grow at a rapid rate for next coming years. The offshore spending of the IT Industry itself is expected to grow at a rapid rate for example In the Countries Like Middle East, where IT investments hitherto were in the nascent stage, have increasingly stepped up their spend on harnessing higher automation and digitization. Not only this ITES/ BPO is expected to grow at a much higher rate. The ITES/ BPO is expected to give rise to maximum off shoring opportunities in the near future.

Risk and Concerns

Besides increasing the client base, the Company needs to retain its current clients by providing timely quality services. The Company must look for emerging business opportunity in the growing demand for IT professionals across industries.

Internal Control Systems and their adequacy

The Company has in place the internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure that:

All assets and resources are used efficiently and are adequately protected. All internal policies and statutory guidelines are complied with. There is accuracy of financial reports and management information.

Audit Committee has been entrusted with detailed terms of reference to review and look into proper recording of transactions and preparations of financial statement. One of the important functions of the Audit Committee is to review the adequacy of internal control systems and compliance thereof.

Human Resource Development

The Company's progress is largely attributed to the wholehearted support from its manpower. The technical team were constantly challenged for quality performance and expected to work with an entrepreneurial spirit on the project.

For and on behalf of the Board

sd/-

**Chairman & Managing Director
Mr. Nikunj Babulal Choradiya**

Place: Chennai
Date: 10.03.2011

CORPORATE GOVERNANCE REPORT**Introduction**

Corporate Governance is crucial to the very existence of a company as it builds confidence and trust in the eyes of general public at large and to everybody connected with the Company. Corporate governance is set of policies and laws affecting the way the Company is directed, administered and controlled. It has become an integral part of the business aligning the organizations to the best practices of good governance.

The detailed report on compliance by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below:

I. Company's Philosophy on code of Corporate Governance

Corporate Governance encompasses the value systems of integrity, accountability, transparency and adoption of high ethical standards.

Maars Software's philosophy on Corporate Governance is to enhance the long term economic value of the Company and its Stakeholders and society at large through attainment of highest levels of transparency, accountability, professionalism and equity in all facets of its operations.

The Company envisions to be a globally preferred business associate with responsible concern for society and stakeholders value. The Company is committed to ethical values and self discipline through standards of good governance based on transparency, fairness, purposefulness, trust, responsibility, checks and balances directed at sustaining shareholders interest and overall organizational goals.

The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

The Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

II. Board Of Directors**(a) Composition and Category**

The Board is constituted in conformity with Clause 49 of the Listing Agreement with the Stock Exchange. The Company presently is headed by 4 Directors comprising of optimum combination of Executive and non-executive directors, 50% of the Board of the Company comprises of non- executive directors and half of the Board comprise of Independent Directors.

Independent Directors do not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in judgment of the Board, may affect independence of the judgment of the Director.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors.

The Composition of the Board of Directors is as under:

Category of Directorship	Name of the Director
Non Independent, Executive	Mr. T. Vardharajan Mr. Nikunj Babulal Choradia
Independent, Non – Executive	Mr. Harshavardhan Singh Rathore Mr. Sangameshwar Mahapure (appointed on 7 th October 2010) Mr. Shivprakash Agrawal (ceased on 9 th October 2010)

(b) Board meetings & attendance of directors at the board meetings and last annual general meetings were as under:

During the financial year the Members of the Board met 8 times as under:

05.05.2009	07.05.2009	02.06.2009	16.07.2009
29.10.2009	08.02.2010	18.05.2010	19.05.2010

The maximum time gap between any two meetings was not more than four (4) months.

The attendance of each director at the board meetings and the Last Annual General Meeting (AGM) as under:

Name of Directors	No. of board meetings attended	Attendance at last AGM held on 24 th July 2009
Mr. Nikunj Choradia	8	Yes
Mr. Sangameshwar Mahapure	—	No (appointed on 07/10/2010)
Mr. T. Vardharajan	7	Yes
Mr. Harshavardhan Singh Rathore	8	Yes
Mr. Shivprakash Agarwal	7	Yes (ceased on 09/10/2010)

(c) Board Procedure

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with the requirements of the Companies Act, 1956, the Secretarial Standards (SS-1) prescribed for Board Meetings by the Institute of Company Secretaries of India, Listing agreement with the stock exchange (s) and other applicable laws and regulations.

The Board meets at least once a quarter to review quarterly performance and financial results. Notices of Board Meeting along with agenda papers are circulated in advance to the Directors. All material information for facilitating focused discussions is incorporated in the agenda papers are circulated in advance to the Directors.

The Board is also free to recommend inclusion of any matter for discussions at the meeting in consultation with the Chairman. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every board meeting, on the overall performance of the Company by functional heads.

The code of conduct as applicable to the Board is framed in conformity with applicable rules and regulations and accordingly followed.

III. Audit Committee**(a) Broad Terms of Reference**

The Company has a well constituted Audit Committee. It has been constituted in compliance with the Clause 49 of the Listing agreement entered into by the Company with the Stock Exchange. The scopes of activities of the Audit Committee are in accordance with paragraphs C and D of Clause 49(II) of the Listing Agreement. The broad terms of reference include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of 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.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.
10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

In fulfilling the above role, the Audit Committee has the powers:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Composition

The audit committee comprises of three (3) directors, the Chairman of the audit committee is independent Director. All the members of the audit Committee are financially literate All these directors possess knowledge of corporate finance, accounts and company law. The vice- president finance, statutory auditors, internal auditors are invited for the committee meetings.

The minutes of the audit committee meetings are placed at the subsequent board meeting and are noted by the board.

The composition of the audit committee is as follows:

Audit committee (Prior to reconstitution)*

Name of Member	Position	Category
Mr. Nikunj Choradia	Member	Executive Director
Mr. Sangameshwar Mahapure (appointed on 7 th October 2010)	Chairman	Non-executive Independent Director
Mr. T. Vardharajan	Member	Executive Director

It may be noted that Mr. Shivprakash Agarwal who was Chairman of the Audit Committee, ceased as Director on 9th October 2010.

(c) Meetings & Attendance

As per the requirement of Section 292A of the Companies Act,1956 read with Clause 49 of the Listing Agreement, the Audit committee duly convened Four (4) meetings during the financial year ended on 30th June 2010 and there was not more than four months gap between these meetings.

IV Remuneration Committee

(a) Terms of reference

The Company has constituted a remuneration committee to form policies and recommend the package for the Executive Directors and Managing Directors.

The brief terms of references of remuneration committee are as under:

1. Review the performance of managing director taking into account the performance of the Company.
2. Review and recommend the board overall remuneration package, service agreements and other employment conditions of managing director.

(b) Composition

The remuneration committee comprises of three (3) directors. The composition of the remuneration committee is as follows:

Remuneration Committee

Name of Member	Position	Category
Mr. Nikunj Choradia	Chairman	Executive
Mr. Sangameshwar Mahapure (appointed on 7 th October 2010)	Member	Non Executive Independent
Mr. T. Vardharajan	Member	Executive

It may be noted that Mr. Shivprakash Agarwal who was member of the Remuneration Committee, ceased as Director on 9th October 2010.

(c) Meetings and attendance

Three Meetings were held during the financial year 2009-2010 in which all three members were present.

(d) Remuneration policy

The remuneration package of the Company is based on following aspects:

1. Employment scenario.
2. Remuneration package of the industry.
3. Responsibility on individual personnel.
4. Performance of the Company and individual performance

Remuneration to non –executive Directors

The Non executive directors are not paid any remuneration by way of commission or otherwise.

Remuneration to Managing Director:

Mr. Nikunj Choradiya, the Managing Director of the Company is not drawing any salary/ Remuneration from the Company.

V. Shareholders/ Investors Grievance Committee:

The Company had constituted transfer cum shareholders grievance committee.

The Committee normally meets as and when required. The Committee looks into redressal of shareholders complaints like non transfer/transmission of shares, non receipt of balance sheet etc. Further, the committee reviews the cases of transfer, split, consolidation and issue of duplicate share certificates, dematerialized shares received by the registrar and transfer agents. The committee also looked into cases of non receipt of demat credit, refunds in connection with public issue.

The minutes of the investor grievance committee meetings are placed at the subsequent board meeting and are noted by the board

Details of Shareholders Complaints:

There were no shareholders complaints received from the Shareholders of the Company during the year ended 30th June 2010, thus there were no outstanding complaints as on 30th June 2010. Shareholders complaints and other correspondences are normally attended within seven working days except where constrained by disputes or legal impediments.

Compliance Officer:-

NAME OF THE COMPLIANCE OFFICER	Mr. Nikunj Choradiya
CONTACT DETAILS	044-30533337
E-MAIL ID	www.maarssoftware@gmail.com

VI. General Body Meetings: Location and time when last 3 Annual General Meetings are held:

The details of the Annual General Meetings held in last three years are as under:

Financial Year	Date	Time	Venue
2006-2007	28.09.2007	10.15 a.m.	Sri Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vanimahal, 103, G.N Chetty Road, T Nagar, Chennai - 600 017.
2007-2008	29.09.2008	10.30 a.m.	Sri Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vanimahal, 103, G.N Chetty Road, T Nagar, Chennai - 600 017.
2008-09	24.09.2009	11.00 a.m.	Balamandir German Hall No. 17, Prakasam Street, T Nagar, Chennai - 600 017.

VII. Passing of resolution by postal ballot

During the Financial year 2009-2010, the following resolutions were passed through postal ballot:

On 18th June 2010:

- 1) Special Resolution for Preferential Allotment of upto maximum Rs.1,30,00,000/- (Rupees One Crore Thirty Lac Only) equivalent Equity Shares, convertible warrants, fully convertible debentures, partly convertible debentures to M/s. Mascon Global Limited.
- 2) Special Resolution for Shifting of Registered Office from the State of Tamil Nadu to the State of Maharashtra.

Further, at the forthcoming Annual General Meeting, there is no item in the agenda that needs approval by postal ballot.

VIII. Disclosures**Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.**

As per the provisions of Sections 297, 299 and 301 of the Companies Act, 1956 the Directors of the Company are substantially interested in following Companies:

- (A) Mr. Shivprakash Agarwal, who ceased to be Director on 09/10/2010, was interested in contracts with M/s. Asian Films Productions & Distribution Ltd. as he is one of the Directors of that Company.

- a. **There are no materially significant related party transactions made by the Company** with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

Transactions with related parties as per requirement of Accounting Standard 18 are disclosed in note no. 18 in Schedule R in the annual accounts.

b. Details of non compliance by the Company, penalties, and restrictions imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Our Company is listed on Bombay Stock Exchange and National Stock Exchange, the Company has complied with all the rules, regulations and conditions laid down by the respective Exchanges in the Listing Agreement entered into by the Company.

However the Company has been recently suspended by the Premier Institute of National Stock Exchange due to inadvertent non-Compliances, Our management is striving hard to rectify the defects and again list the Securities of the Company with honourable NSE.

Further, no penalty was imposed by SEBI, Stock Exchange or any statutory Authority on any matter related to capital markets during the last three years.

c. Whistle Blower Policy

The Company has not yet formulated Whistle Blower Policy, the same being a non – mandatory requirement.

d. Details of compliance with mandatory requirements and adoption of non – mandatory requirements.

The Company has not only complied with all the mandatory requirements of Listing Agreement but has also complied with the non mandatory requirement setting example of good corporate governance.

e. Disclosure of accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to accounts forming part of this Annual Report.

f. Disclosure for Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risk through means of properly defined framework.

IX. Subsidiaries

The Company has Two wholly owned subsidiaries namely **Maars Infratech Private Limited & Maars Software International Limited-Dubai.**

However, these subsidiaries do not fall under definition of material non – Listed Indian subsidiaries. As per the Listing Agreement, the minutes of board meetings of subsidiaries are placed at the board meetings of our company.

X. Code of Conduct

The Company has adopted Code of Conduct for Directors and Senior management of the Company in the Board Meeting held on for the financial year 2009-2010. The Code is posted on the Company's website.

The Company has received confirmation from all the Directors and Senior Management personnel regarding compliance of the code for the period ended 30th June 2010. A declaration signed by the Director (MD) in this regard is given below:

“ I hereby confirm that :

The Company has obtained from all the members of the Board and senior management personnel of the Company, affirmation that they have complied with the Code of Conduct framed for Directors & Senior Management in respect of the Financial Year 2009-2010.”

sd/-
Director

XI. Code of Conduct for prevention of Insider Trading.

Pursuant to SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended from time to time , the Company has adopted a Code of Conduct for prevention of Insider Trading. The Code is applicable to all the Directors and Designated Employees who are expected to have access to price sensitive information relating to the Company.

XII. CEO/ CFO Certification

The Company had taken certification from Mr. Nikunj Choradia (Managing Director) for the financial year 2009-2010. The same was noted in the Board meeting held on 10th March 2011.

XIII. Means of Communication

- (i) The Board of Directors of the Company approves and takes on record quarterly, yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of close of the respective period.
- (ii) The approved financial results are forthwith sent to the Stock exchanges and are published in the English Newspaper namely, 'Business Line'. In addition, the same are published in local language newspaper namely 'Dina Malhar' within forty eight hours of approval thereof.
- (iii) Pursuant to clause 41 of the listing agreement, all data related to quarterly financial results, shareholding pattern etc. are hosted on the Electronic Data Information Filing and Retrieval (EDIFAR) website www.sebiedifar.nic.in maintained by SEBI in association with the National Informatics Center, within the time frame prescribed in this regard.
- (iv) The Company's financial results and official news releases are displayed on the Company's website
- (v) The Company has formed the site grievanceredressal@maarssoft.com exclusively for the purpose of redressal of investors complaints.
- (vi) Management Discussion and Analysis (MDA) forms part of the Annual Report , which is posted to the shareholders of the Company.

XIV. General Shareholder Information:

a. Annual General Meeting

Day, Date & Time : Thursday, 31st March, 2011 at 9.00 A.M.

Venue: JC Mahal, Kodungaiyur, Chennai – 600 118

b. Dates of Book Closure : 31st March 2011.

c. Dividend payment date :

No dividend is recommended by the Board on equity shares of the Company.

d. Listing on Stock Exchanges:

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The annual Listing fees as prescribed has been paid to the stock exchanges for the year 2009-2010.

e. Stock Code :

Bombay Stock Exchange Limited Scrip Code : **531528**.

National Stock Exchange of India Limited scrip code: **maarssoftw**

Demat ISIN No. for NSDL & CDSL : INE 390A01017

Month	High (In Rs.)	BSE SENSEX High	Low (In Rs.)	BSE SENSEX Low	No. of shares traded
April 2009	1.82	11,492.10	1.22	9,546.29	7,03,301
May 2009	2.24	14,930.54	1.35	11,621.30	17,77,252
June 2009	2.97	15,600.30	2.10	14,016.95	36,34,004
July 2009	2.66	15,732.81	1.79	13,219.99	18,96,259
August 2009	3.38	16,002.46	2.29	14,684.45	94,87,458
September 2009	4.64	17,142.52	3.00	15,356.72	5,50,30,619
October 2009	4.11	17,493.17	3.00	15,805.20	1,02,84,389
November 2009	3.37	17,290.48	2.83	15,330.56	81,93,063
December 2009	3.14	17,530.94	2.85	16,577.78	75,47,408
January 2010	3.30	17,790.33	2.51	15,982.08	1,86,67,892
February 2010	2.85	16,669.25	2.02	15,651.99	38,78,736
March 2010	2.95	17,793.01	2.00	16,438.45	40,89,490
April 2010	2.95	18,047.86	2.10	17,276.80	37,47,843
May 2010	2.31	17,536.86	1.86	15,960.15	19,53,525
June 2010	2.06	17,919.62	1.78	16,318.39	49,16,284

f. Stock Market Data :

The Monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange Limited (BSE) were as follows:

g. Registrar and Share Transfer Agents :

The Company has appointed M/S Cameo Corporate Services limited as Registrar and Share Transfer Agents for physical and demat segment. The address for correspondence is as under:

M/s Cameo Corporate Services Limited

“Subramanian Building”, No. 1,

Club House Road, Chennai – 600 002

Tel: (044) 28460390 • Fax: (044) 28460129

h. Share Transfer System:

Transfer of shares in physical form is processed and completed by Cameo Corporate Services Limited within a period of 30 days from the date of receipt provided all the documents are in order. In case of shares in demat Form, the transfers are processed by NSDL/CDSL through respective depository participants. In compliance with the listing agreement, a practicing Company Secretary carries audit of the system of Transfer and a certificate to that effect is issued.

i. Since the Company is engaged in service industry, there are no plants or manufacturing units.

j. Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per bye laws and business rules applicable to NSDL and CDSL.

k. Secretarial audit

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchange. 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 & CDSL) and total number of shares in physical form.

l. Address for Correspondence :**Maars Software International Limited**

Regd. Office: Q- 205, 2nd Floor, Real Enclave, No. 22, Joisher Street,
Nungambakkam, Chennai - 600 034, Tamil Nadu.

Corporate Office: 20, 4th Floor, Mohid Heights, Near Versova Telephone Exchange,
Lokhandwala Road, Mumbai - 400 053.

E-mail: maarssoftware@gmail.com

Website: <http://www.maarssoft.com>

For and on behalf of the Board

sd/-
Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

Certificate of Compliance of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges.

**To the Members of
MAARS SOFTWARE INTERNATIONAL LIMITED.**

We have examined the Compliance of conditions of Corporate Governance by **MAARS SOFTWARE INTERNATIONAL LIMITED** (hereinafter referred to as "the Company") for the year ended on 30th June 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements 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 in all material aspects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

On the basis of the Certificate issued by the Registrars of the Company and the Minutes of Meetings of the 'Shareholders Investors Grievance Committee' of the Company, We state that there were no investor grievances pending as at 30th June 2010 against the Company for a period exceeding one month.

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

For, Agrawal Jain & Gupta
Chartered Accountants

Sd/-
(NARAYAN SWAMI)
Partner
M.N. - 409759
Place: Chennai
Date : 10.03.2011

CERTIFICATE BY THE STATUTORY AUDITORS

It is certified that the terms and conditions contained in Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time (Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004) have been complied with by M/s. Maars Software International Limited in respect of the investment under report. In particular, it is certified that:

- (i) the investment is not in real estate oriented or banking business, and
- (ii) the amount of foreign exchange proposed to be purchased for remittance abroad is under the Automatic Route and is within the limit stipulated by the Reserve Bank from time to time. This has been verified with reference to the net worth of M/s. Maars Software International Limited as on the date of last audited balance sheet, i.e. 31/03/2009.
- (iii) has complied with the valuation norms prescribed for the investment.

sd/-

(Signature & Stamp of the Statutory Auditor of the Company)

For, Agrawal Jain & Gupta

Chartered Accountants

Sd/-

(NARAYAN SWAMI)

Partner

M.N. - 409759

Place: Chennai

Date : 10.03.2011

CEO / CFO CERTIFICATION

**To,
The Board of the Directors,
Maars Software International Limited.**

We hereby certify to the Board that;

- a. We have reviewed the Financial Statements and the Cash Flow Statements for the year 2009 – 2010 and that to the best of our knowledge and belief :
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
 - (ii) These statements together present a true and fair view of Companies affair and are in Compliance with existing Accounting Standards, Applicable Laws and Regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, 2009 – 2010 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept the responsibility for establishing and maintaining the internal controls for the Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee :
 - (i) Significant changes in internal controls over financial reporting during the year 2009 – 2010.
 - (ii) Significant changes in the accounting policies during the year 2009 – 2010 and that the same have been disclosed in the notes to financial statements; and
 - (iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the Management or an Employee having a significant role in companies internal control system over financial reporting.

For Maars Software International Limited

Sd/-
Director

Sd/-
Director

Date: 10.03.2011

Place: Chennai

**AUDITOR'S REPORT OF MAARS SOFTWARE INTERNATIONAL LIMITED
FOR THE YEAR ENDED 30TH JUNE 2010**

To,
The Member of **MAARS Software International Limited**,

We have audited the attached Balance sheet of **MAARS Software International Limited** as at **30th June 2010**, the Profit & Loss Account and also 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.

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 whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.

As required by the Companies (Auditors' 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 the paragraph 4 & 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the Books of Account.
- (d) In our opinion, the Balance Sheet, Profit & 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. Subject to following qualification.-*except for non compliance in respect of prescribed method of valuation of employee benefits and requirement disclosure with AS-15 "Employee Benefit (Revised) and non compliance in respect of reinstatement of debtors, creditors, and advances in accordance with AS-11 "Effect of changes in foreign exchange rates" (Revised).*
- (e) On the basis of the written representation received from the directors of the company and taken on record by the Board of Directors, we report that, none of the directors is disqualified to be appointed as Director under clause (g) of sub-section 274 of the Companies Act, 1956.
- (f) *Subject to comments made paragraph 5 above and effect in respect of which on the profit and loss account of the company for the period under consideration is not ascertainable.* In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to,
 - 1) The company has not made any provision for payment of interest on dues payable to banks and financial institutions. As explained to us, the company's one time settlement proposal with one bank was accepted by the respective bank and for other bank it is in the process of one time settlement with the said bank. The balances with these banks and financial institution are subject to confirmation.

- 2) The fixed assets include intangible assets, which have yielded only marginal returns. As informed to us, these assets are potential for returns in the years to come.
- 3) Balances of unsecured loans, Secured loans, sundry creditors, sundry debtors & loans and advances are subject to confirmation.
- 4) The amount of unclaimed / unpaid dividend has not been deposited in a separate bank account.

And read together with the schedules annexed thereto and the notes and Significant Accounting Policies thereon, give the information required by the Companies Act, 1956. In the manner so required, and give true and fair view:

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 30th June 2010 and,
- (ii) In the case of Profit & Loss Account, of the Profit of the company for the year ended on that date and,
- (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For, Agrawal Jain & Gupta

Chartered Accountants

Sd/-

(NARAYAN SWAMI)

Partner

M.N. - 409759

Place: Chennai

Date : 10.03.2011

ANNEXURE TO THE AUDITOR'S REPORT

[Annexure referred to in paragraph 3 of the Auditor's Report of even date on the accounts of **MAARS Software International Limited** for the year ended on **30th June 2010**]

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As informed to us, the management in accordance with a phased program of verification adopted by the company has physically verified a major portion of these assets. In our opinion the frequency of verification is reasonable.
(c) As per information and explanations provided by the management during the year, the company has not disposed off a substantial portion of fixed assets.
2. The company is in the business of software development and training and does not carry any inventories.
3. According to the information and explanations given to us during the year company has not taken loans from and has not granted loans to the parties covered U/s. 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the said order not applicable to the company.
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 with regard to purchases of fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. According to the information and explanations provided by the management, there have been transactions that need to be entered in the register required to be maintained U/s. 301 of the Companies Act, 1956.
6. The company has not taken/ accepted any deposits from the public to which the directives issued by the RBI and the provision of section 58A, 58AA and any other relevant provisions of the companies act 1956 and the rule framed there under are applicable accordingly, the provision of paragraph 4(vi) of the said order not applicable to the company.
7. In our opinion, the company has no an internal audit system commensurate with the size and nature of its business.
8. As informed to us, that maintenance of cost records has not been prescribed by the Central Govt. U/s. 209(1)(d) of the Companies act, 1956, is not applicable to the company.
 - (a) According to the records of the company, generally 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, custom duty, excise-duty, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding, as at 30.06.2010, for a period of more than six months from the dated they became payable.
 - (c) According to the records of the company, there are no dues of sales tax, income tax, custom tax/wealth tax, excise duty/cess, which has not been deposited on account of any dispute except the income tax for the assessment year 2001-2002 amounting to Rs.84,83,898/- for which an appeal was preferred before the honorable Income Tax Tribunal .Apart from the above, for the assessment year 2005-2006 amounting to Rs.32,93,993/- is disputed to be paid on account of appeal preferred before the honorable CIT (Appeals), Chennai respectively against the assessment order passed by the A.O.

9. The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the immediate preceding financial year.
10. Based on our Audit procedure and on the information and explanation given by the management, the company has not provided for payment of interest on the dues payable to banks and financial institutions. As informed to us the company is in process of one time settlement with the said banks and financial institutions.
11. The company has not granted any loans or advances on basis of the security by way of pledge of shares, securities, debentures and other securities.
12. In our opinion company is not a chit fund or a nidhi/ mutual benefit fund/society. Accordingly the provision of paragraph of 4(xiii)of the said order are not applicable to the company.
13. The company is not dealing in or trading in shares, security, debenture, and other investments. Accordingly, the provision of the paragraph of 4(xiv)of the said order are not applicable to the company.
14. The company has given guarantee to Bank of India for loan taken by the erstwhile UK Subsidiary. The said guarantee was materialized. As explained to us, amount due thereon has been included as a part of one time settlement proposal submitted by the company. The amount involved in that guarantee is 1 million pounds (Approx.).
15. The company has not taken any term loan during the year under review.
16. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-terms basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except core (permanent) working capital.
17. Based on our examination of records and the information provided to us by the management, we report that the company has made a preferential allotment of 77,20,000 Equity shares of Rs 10/ Each against 8% Cumumaltive convertible Preference shares allotted to Bank of India as a part of one settlement for conversion of outstanding loan are still not accepted by Bank of India. Except the above the company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Act.
18. During the period covered by our audit report, the company has not issued any debentures.
19. The company has not raised funds from public issue during the year.
20. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For, Agrawal Jain & Gupta

Chartered Accountants

Sd/-

(NARAYAN SWAMI)

Partner

M.N. - 409759

Place: Chennai

Date : 10.03.2011

STANDALONE BALANCE SHEET AS AT JUNE 30, 2010

(Amount in Rupees)

	Schedule	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	A	1,512,202,000	1,512,202,000
Reserves and surplus	B	216,011,963	216,011,963
		1,728,213,963	1,728,213,963
Loan funds			
Secured loans	C	106,360,738	106,360,738
Unsecured loans	D	238,836,024	151,906,024
		345,196,762	258,266,762
Deferred tax liability (net) (Refer note 11 to Schedule 'S')		23,710,555	29,308,793
		2,097,121,280	2,015,789,518
APPLICATION OF FUNDS			
Fixed assets			
Gross block	E	694,577,677	694,577,677
Less: Depreciation/amortization		335,999,742	310,786,348
Net block		358,577,935	383,791,329
Capital work in progress		-	-
		358,577,935	383,791,329
Investments	F	560,699,839	275,776,490
Deferred tax asset (net)		-	-
Current assets, loans and advances			
Inventories	G	-	-
Sundry debtors	H	210,061,708	207,778,018
Cash and bank balances	I	474,686	465,801
Loans and advances	J	1,068,091,310	1,303,761,023
		1,278,627,703	1,512,004,843
Less: Current liabilities and provisions	K		
Current liabilities		295,749,290	189,311,904
Provisions		330,692	-
		296,079,982	189,311,904
Net current assets		982,547,721	1,322,692,938
Miscellaneous expenditure [to the extent not written off or adjusted]			
Profit and loss account	L	-	-
		195,295,784	33,528,760
		2,097,121,280	2,015,789,518
Notes to account	S	(0)	-

The accompanying schedules form an integral part of this balance sheet.

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

Sd/-

Narayan Swami

Partner

Membership No.-409759

For and on behalf of the board of directors

Sd/-

Managing Director

Mr. Nikunj Babulal Choradiya

Mumbai

Date: 09-03-2011

Sd/-

Director

Mr. Harsh Rathore

Mumbai

Date: 09-03-2011

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

	Schedule	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
INCOME			
Revenue from operations	M	9,400,721	63,394,381
Other income	N	12,594,934	83,059,644
		21,995,655	146,454,025
EXPENDITURE			
Cost of operations	O	6,306,720	131,378,844
Employees cost	P	208,655	225,000
Administration and other expenses	Q	14,351,528	12,189,507
Finance cost	R	55,207	86,133
Depreciation/amortisation (Refer Note 2 (d) of Schedule "S")	S	25,213,394	20,536,853
Loss on sale of Shares		143,225,413	-
Preliminary Expenses w/off		-	-
		189,360,917	164,416,337
Profit/(Loss) before tax		(167,365,262)	(17,962,312)
Less: Provision for taxation			
- Current tax		-	-
- Deferred tax charge / (credit)		(5,598,238)	19,077,618
- Wealth tax		-	-
- Fringe benefit tax		-	16,917
- Tax adjustments for earlier year (net)		-	-
Profit/(Loss) after tax		(161,767,024)	(37,056,847)
Balance brought forward from previous year		(33,528,760)	3,528,086
Balance of Profit/(Loss) carried forward to balance sheet		(195,295,784)	(33,528,760)
Earnings per share of Rs. 10/- each (Refer Note 12 of Schedule S)			
- Basic		(1.06)	(0.25)
- Diluted		(1.06)	(0.25)

Notes to account

S

The accompanying schedules form an integral part of this profit and loss account.

As per our report of even date attached

For Agrawal, Jain and Gupta
Chartered AccountantsSd/-
Narayan Swami
Partner
Membership No.-409759**For and on behalf of the board of directors**Sd/-
Managing Director
Mr. Nikunj Babulal Choradiya
Mumbai
Date: 09-03-2011
Sd/-
Director
Mr. Harsh Rathore
Mumbai
Date: 09-03-2011

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'A'		
Share Capital		
Authorized		
16,00,00,000 Equity shares of Rs.10 each (Previous Year :16,00,00,000 Equity shares of Rs.10 each)	1,600,000,000	1,600,000,000
1,50,00,000 Preference shares of Rs.10 each (Previous Year :1,50,00,000 Preference shares of Rs.10 each)	150,000,000	150,000,000
	<u>1,750,000,000</u>	<u>1,750,000,000</u>
Issued, subscribed and paid-up		
Equity shares		
14,76,80,200 Equity shares of Rs.10 each (Previous Year :14,76,80,200 Equity shares of Rs.10 each)	1,476,802,000	1,476,802,000
Preference shares		
35,40,000 Preference shares of Rs.10 each (Previous Year :35,40,000 Preference shares of Rs.10 each)	35,400,000	35,400,000
	<u>1,512,202,000</u>	<u>1,512,202,000</u>
Schedule 'B'		
Reserves and Surplus		
Securities premium account		
As per last balance sheet	216,011,963	216,011,963
Add: Received during the year on issue of equity shares		-
	<u>216,011,963</u>	<u>216,011,963</u>
Balance in profit and loss account	-	-
Less : GDR Issue Expenses		-
	<u>216,011,963</u>	<u>216,011,963</u>
Schedule 'C'		
Secured loans		
Loans from banks		
Scheduled Banks: Cash credit -secured against immovable property of Basement, Ground Floor, First Floor at Habibullah road and book debts of the company		
	6,245,297	6,245,297
Scheduled Banks: Term Loan -secured against immovable property of Third & Forth Floor at Habibullah Road		
	32,722,820	32,722,820
Financial Institution: Term Loan -secured against Plant & Machinery and Immovable property at Padur & Second Floor at Habibullah Road		
	67,392,621	67,392,621
	<u>106,360,738</u>	<u>106,360,738</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

			15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'D'				
Unsecured loans				
From others			238,836,024	151,906,024
			238,836,024	151,906,024
Schedule 'F'				
Investments (At Cost)				
	No. of shares	Face Value	15 months ended June 30, 10	12 months ended March 31, 09
Investment in Quoted Shares (AT COST)				
Kadam Constration	40000	Rs 42/-	1,679,674	
Kohinoor	3080000	Rs 5.42/-	16,724,175	
				-
Investment in Subsidiaries (At Cost)				
Maars Infratech Pvt Ltd - Invst	9999	Rs.10	99,990	99,990
Maars Software International Ltd - FZLLC	1	AED 150000	1,752,000	1,752,000
Hitech Software Services Inc. USA.	1	USD 150000	-	140,805,500
Investment in Unquoted Shares (At cost)				
24x 7 E Power Ltd.	99600	Rs.10	25,700,000	-
Aarushi Holdings Pvt Ltd.,	15000	Rs.10	75,000,000	-
Agrawal Coal Corp Pvt Ltd	32500	Rs. 200	6,500,000	6,500,000
Astha Technologies Pvt. Ltd.	150000	Rs.10	10,000,000	-
Chandra Trading & Investment Pvt. Ltd.	1300	Rs.10	27,950,000	-
Chhajer Synthetics Pvt. Ltd.,	19000	Rs.10	9,500,000	-
Instinct Advtg & Mktg Ltd.	15000	Rs.10	6,000,000	-
Keshav Madhav Home Pvt Ltd.	60000	Rs.10	6,500,000	-
Krishna Glass Pvt Ltd.	40000	Rs.10	50,000,000	50,000,000
Maharishi Markendeshwar Properties Infrastructure P	33333	Rs.10	5,000,000	-
Mangalam Alloys Ltd.	40000	Rs.10	20,000,000	20,000,000
MGF Growth	25840	Rs.100	2,584,000	2,584,000
M.M. Infratech Pvt Ltd.	33333	Rs.10	5,000,000	-
Nexgen Financial Solutions P. Ltd.,	16000	Rs.10	8,000,000	-
N M Merchantile Ltd.	14000	Rs.10	91,600,000	-
Patdi Commercial & Invest Ltd	15000	Rs.10	5,250,000	5,250,000
Power Fortune (I) Pvt Ltd.,	35000	Rs.10	22,500,000	-

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	No. of shares	Face Value	15 months ended June 30, 10	12 months ended March 31, 09
Psc Softech Impex P. Ltd.,	28750	Rs.10	11,500,000	-
Race Course Cap Markets Ltd	45000	Rs.10	4,500,000	-
Rameshwaram Metals P. Ltd	60000	Rs.50	3,000,000	3,000,000
Rana Polycot Ltd.	330000	Rs.10	9,900,000	-
Ranbro Brakes India Rana Polycot Ltd.	40000	Rs.10	2,000,000	-
Ravi Raj Developers Ltd	149000	Rs.10	7,450,000	7,450,000
Richi Rich Agro Foods Pvt. Ltd.,	70000	Rs.10	17,500,000	-
Sarvopari Invts Pvt Ltd	75000	Rs.10	10,000,000	-
Selva Gold Covering Pvt Ltd	25000	Rs.10	5,000,000	5,000,000
Shree Ambika Geotex Pvt. Ltd.,	91818	Rs.10	10,100,000	-
Shree Bajrangbali Intermediate & Dychem P Ltd	40000	Rs.10	2,000,000	2,000,000
Sohrab Spinning Mills Ltd.,	370000	Rs.10	18,500,000	-
S S V Fab Ind P Ltd	30000	Rs.100	3,000,000	3,000,000
Sugo Gears Pvt .Ltd.,			36,575,000	-
Tarun Composite Pvt Ltd	4000	Rs.100	-	4,000,000
Niketan Paper Board Pvt Ltd	2000	Rs.1000	-	2,000,000
Garg Tubes	10000	Rs.10	1,000,000	1,000,000
Jansampark Advertising	1000	Rs.50	500000	500000
P.P.Merchantile pvt ltd.	16000	Rs.10	1600000	1600000
Chhavi Invest Pvt. Ltd	3000	Rs.10	300000	300000
Riwaz Invest Pvt. Ltd	5000	Rs.10	500000	500000
Papyrun International Pvt. Ltd	40000	Rs.10	400000	400000
K.C. Fibers Pvt. Ltd	7000	Rs.10	700000	700000
Varun Management Services Pvt Ltd	346700	Rs.10	17,335,000	17,335,000
			560,699,839	275,776,490
Book Value of unquoted investements			559,020,165	275,776,490
Market Value of Quoted Investements			2,046,000	-

Schedule 'G'**Inventories**

[As taken, valued and certified by the management]

Projects-in-progress

-	-
-	-

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'H'		
Sundry Debtors		
[Unsecured, - Refer Note 7 of Schedule 'S']		
		-
Considered Good	9,400,721	7,117,032
Considered Doubtful for a period exceeding 6 months	200,660,987	200,660,986
	210,061,708	207,778,018
Less: Provision for Doubtful Debts	-	
	210,061,708	207,778,018
Others Debts - Considered Good	-	-
	210,061,708	207,778,018
Schedule 'I'		
Cash and bank balances		
Cash in hand	83,833	87,748
Balances with scheduled banks		
- Current accounts	390,853	378,053
- Deposit accounts*	-	-
	474,686	465,801
Schedule 'J'		
Loans and Advances		
[Unsecured]		
Loans to Wholly Owned Subsidiaries	10,850,631	-
Advances recoverable in cash or in kind or for value to be received		
Loans and advances	1,036,236,200	1,292,910,494
	1,047,086,831	1,292,910,494
Share application money for investment in unquoted shares of other company	-	-
TDS /Income tax /Service tax	1,721,163	10,445,720
Prepaid Expenses	716,769	
Advance For Expenses	5,529,392	-
Deposits	13,037,155	4,04,809
	1,068,091,310	1,303,761,023
Less: Provision for doubtful advances	-	-
	1,068,091,310	1,303,761,023

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'K'		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors	6,306,720	67,473,960
Advance From Customers	229,220,997	46,043,613
Accrued Salary	14,087,576	14,176,077
Other liabilities	31,158,131	43,467,599
Dividend Payable	9,412,616	9,412,616
Foreign Currency Monetary Items Reserves	5,563,250	-
* Investor Education and Protection Fund shall be credited by the amount, when due.		
	<u>295,749,290</u>	<u>180,573,865</u>
Provisions		
Income tax	-	-
Statutory liabilities	31,867	49,907
For Expenses	298,825	166,575
	<u>330,692</u>	<u>216,482</u>
	<u>296,079,982</u>	<u>180,790,347</u>
Schedule 'L'		
Miscellaneous expenditure		
[to the extent not written off or adjusted]		
Preliminary Expenses	-	-
Expenses Incurred during the year	-	-
Less: Transfer in Advance	-	-
Less: Amortized during the year	-	-
	<u>-</u>	<u>-</u>
Schedule 'M'		
Revenue From Operations		
income from textile business	9,400,721	-
income from software Development, training and product -Export	-	63,394,381
	<u>9,400,721</u>	<u>63,394,381</u>
Schedule 'N'		
Other income		
Interest Received From Bank (Gross)	-	10,002,914
Miscellaneous income	-	-
Foreign Exchange gain	12,594,934	73,056,730
	<u>12,594,934</u>	<u>83,059,644</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'O'		
Cost of Operations		
Purchases	6,306,720	131,378,844
	6,306,720	131,378,844
Schedule 'P'		
Employee Cost		
Salaries, wages and other benefits	205,897	-
Director Remuneration		225,000
Staff welfare Expenses	2,758	-
Gratuity		-
	208,655	225,000
Schedule 'Q'		
Administration and other expenses		
Travelling and conveyance	321,452	806,615
Advertising and sales promotion	4,593,297	1,075,865
Legal and professional charges	825,717	628,000
Printing and stationery	159,088	1,078,809
Rent	119,700	304,000
Electricity charges		538,798
<u>Repairs and maintenance</u>	-	
- Buildings	-	
- Others	12,700	692,107
Communication	3,846	565,980
Postage and telegram	8,161	
Auditors remuneration	200,000	250,000
Others expenses	470,899	765,018
Sundry Debits W/off	6,508,304	
Business promotion	-	1,028,000
Subscription /Listing Fees	1,055,364	2,172,107
Books & Periodical Expenses	-	17,809
Meeting & Conference Expenses	73,000	1,793,158
Processing chargages	-	473,241
	14,351,528	12,189,507
Schedule 'R'		
Finance cost		
Interest on		
- Fixed period loans	-	-
- Others	-	-
Bank charges	55,207	86,133
	55,207	86,133

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

SCHEDULE - E
FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at April 1, 2009	Additions	Deductions	As at June 30, 2010	As at April 1, 2009	Year Ended	Deletion / Adjustments	As at June 30, 2010	As at March 31, 2009
<u>Tangible assets</u>									
Land	27,394,864			27,394,864	-	-		27,394,864	27,394,864
Building	222,755,518			222,755,518	31,588,699	4,538,644		186,628,175	191,166,819
Computers	162,672,920			162,672,920	162,672,920	-		-	-
Furniture and fixtures	46,011,099			46,011,099	25,269,443	3,644,259		17,097,397	20,741,656
Plant and machinery	19,443,276			19,443,276	8,015,180	1,180,491		10,247,605	11,428,096
				-				-	-
<u>Intangible assets</u>									
Motion picture rights	86,100,000			86,100,000				86,100,000	86,100,000
intangible assets - software	130,200,000			130,200,000	83,240,106	15,850,000		31,109,894	46,959,894
Total	694,577,677	-	-	694,577,677	310,786,348	25,213,394	-	358,577,935	383,791,329
Previous year	608,477,677	86,100,000	-	694,577,677	290,249,495	20,536,853	-	363,791,329	318,228,182

Schedule S**Notes forming part of Balance Sheet and Profit and Loss Account for the year ended 30.06.2010****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****1. METHOD OF ACCOUNTING:**

The accounts are prepared in accordance with the applicable mandatory accounting standards (A.S.) issued by the Institute of Chartered Accountants of India. Generally accrual basis is adopted in the preparation of accounts. Except AS-11 issued by ICAI.

2. SIGNIFICANT ACCOUNTING POLICIES**REVENUE RECOGNITION:**

Revenue from Consultancy and Software Development is recognized as per the terms of specific contracts and based on software development and invoiced to the clients.

FIXED ASSETS:

Fixed Assets have been valued at cost less depreciation. Cost includes other attributable expenses relating to the cost of acquisition.

DEPRECIATION:

Depreciation of Fixed Assets, except on Computers, has been provided on Straight Line Method at the rate prescribed in the Companies Act, 1956. Computers are depreciated under Straight Line Method in 4 years time to reflect their true life. License Fee included under Intangible Asset is written off over its life period. And company not provided depreciations on IPR – for films rights and company provide depreciation in the year of release of the films.

INVESTMENTS:

Company valued its investments at Cost at the end of the year but company not diffractioned his investments into long term investments to current investments.

Company has not making any provision for dilution in the value of shares and securities. And as per management opinion there is no requirements to make any provisions for the same.

BORROWING COSTS:

Borrowing costs, which are not directly attributable to acquisition of the assets, are recognized as expenses under interest and finance charges.

RETIREMENT BENEFITS TO THE EMPLOYEES:

The Company's Liability in the form of Provident Fund is fully charged to Revenue Expenditure. Liability towards Gratuity have been provided as per management's calculation base on the service contracts. Provision has been made for Leave Encashment on actual basis.

FOREIGN CURRENCY TRANSLATION:

Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.

Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.

Foreign currency translation differences related to acquisition of imported fixed assets, if any are adjusted in the carrying amount of the related fixed assets. All other foreign currency gains and losses are recognized in the profit and loss account.

3. NOTES ON ACCOUNTS:

(a) Contingent Liabilities / not provided for during the year:

	Current Year 30.06.2010	Current Year 31.03.2009
Disputed claims against company towards income tax demand not acknowledge as debt for the year 2005-06 for which appeal is pending before CIT (Appeal), Chennai.	Rs.32,93,993/-	Rs.32,93,993/-

** Note: The Appeal is pending before Income Tax Tribunal, Chennai for the Assessment Year 2001-02 amounting to Rs. 84,83,898/- which was acknowledged as debt during the current year.

(b) Auditors Remuneration: (Fig. In Rupees)

	Current Year	Previous Year
a) Audit Fees	200,000	200,000
b) Service Tax		
Total :	200,000	200,000

(c) Segment Reporting: during the year company has traded in a single segment that's why as per AS-17 Segment wise Reporting not required.

(d) Related Party Disclosure:

(i) Name of the related parties:

(1) Subsidiaries:

- (a) Maars Infratech Pvt. Ltd
- (b) Maars Software International Ltd. FZLLC-Dubai

(2) Key Management Personnel:

- (a) Mr Nikunj Babulal Choradiya, Managing Director
- (b) Mr. T. Varadharajan, Executive Director

(ii) Transaction with related parties**(Rupees in Millions)**

Nature of Transaction	Key Management Personnel	Subsidiaries
During the year:		
- Unsecured Loan	—	NIL
- Investment	—	NIL
- Receivables	—	NIL
- Loans/Advances	—	NIL
Balance Outstanding as at the year end		
- Unsecured Loan	—	NIL
- Investment	—	142.655
- Receivables	—	NIL
- Loans/Advances	—	NIL

(e) Earning Per Share as computed in accordance with A.S. – 20 for the year ended on 30.06.2010:

(i) Net Profit (Before Extra ordinary Item)	(162,356,426)/-
(ii) No. of total shares outstanding	14,76,80,200
(iii) Basic & Diluted EPS	Rs. (1.06)
(iv) Nominal Value of Share	Rs. 10/-

(f) Managerial Remuneration: Nil

(g) Deferred Tax Asset/Liability

Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a virtual certainty of their realization. Other items are recognized only when there is a reasonable certainty of their realization.

The Company has adopted Accounting Standard-22 on “Accounting for Taxes on Income” issued by the Institute of Chartered accountants of India. Consequently, the Company has recorded deferred tax liability/Assets in respect of timing differences on account of Depreciation as on 30th September 2010 and the net effects of the same has been given in the Profit & Loss Account and Balance Sheet as on 30th September 2010.

(h) The Company did not have any transactions with Small Scale Industrial (‘SME’s’) Undertakings during the year ended June 30, 2010 and hence there are no amounts due to such undertakings. The identification of SME’s undertakings is based on the management’s knowledge of their status. The Company has not received any information from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

(i) Balances whether debit or credits are subject to confirmation.

Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.

j. Foreign Exchange earnings and outgo

	Current Year 30.06.2010	Previous Year 31.03.2009
Total Foreign Exchange Earnings	NIL	6,62,80,263/-
Total Foreign Exchange Used	NIL	9,15,78,597/-

k. All the figures have been rounded off to the nearest rupee.

l. The previous year’s figures have been regrouped/restated where ever it required.

m. We have verified the vouchers and documents which were made available to us for our verification. Where no such vouchers or documentary evidences were available, we relied on the information and explanation given by the management.

n. Cash on hand is as certified by the management.

o. Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet

p. Additional information as required under part IV of Schedule VI to The Companies Act, 1956:-**Balance sheet Abstract and Company's General Business profile:**

1. Registration details:

Registration No:	18-32675
State Code	18
Balance Sheet Date	30/06/2010

2. Capital raised during the year (Rs. In '000)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement - GDR	NIL
Private Placement - Equity Shares (Converted from Cumulative Convertible Preference Shares)	NIL

3. Position of mobilisation and deployment of fund: (Rs. In '000)

Total Liabilities	2,097,121
Total Assets	2,097,121
Source of Finds (Rs. In '000)	
Paid up Capital	1,512,202
Reserve & Surplus	216,011
Secured Loans	106,361
Un secured Loans	228836
Deferred Tax Liability	23711
Application of Assets	
Net Fixed assets	358577
Investment	560700
Net Current assets	982547
Miscellaneous Expenditure	NIL
Accumulated Losses	195296

4. Performance of the Company: (Rs. In '000)

Total Turnover and other Income	21996
Total Expenditure	189361
Profit before Extraordinary items and taxation	(167365)
Profit / (Loss) before tax	(167365)
Profit / (Loss) after tax	(161767)
Earning per shares (Rs.)	(1.06)

5. Generic Names of principal products, services of the company:

Item Code No.	8471-99
Product Description	Software Development

As per our Report of even date attached

For, Narayan Swami & Associates
Chartered Accountants

Sd/-
(Narayan Swami)
Partner
M.No.- 409759

For & on behalf of Board of Directors

Sd/-
Mr Nikunj Babulal Choradiya (Managing Director)

Sd/-
Mr. T. Varadharajan (Executive Director)

Place: Chennai
Date : 10.03.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

Particulars	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(167,365,262)	(17,962,312)
Adjustments for:		
Depreciation/amortisation	25,213,394	20,536,853
Loss on sale of assets	-	-
Loss on sale of investment	143,225,413	-
Dividend income		
Interest cost	55,207	-
Interest received	-	(83,059,644)
Provision for doubtful debts / advances	-	-
Miscellaneous expenditure written off	-	-
	<u>168,494,014</u>	<u>(62,522,791)</u>
Operating cash flow before changes in working capital	1,128,752	(80,485,103)
Adjustments for:		
(Increase)/decrease in inventories	-	-
(Increase)/decrease in sundry debtors	(2,283,690)	(7,102,243)
(Increase)/decrease in loans and advances	227,148,156	(531,630,867)
Increase/(decrease) in current liabilities and provisions	115,289,635	112,762,605
Net changes in working capital	341,282,854	(425,970,505)
Taxes paid	-	-
Cash generated from/(used in) operations	<u>341,282,854</u>	<u>(506,455,608)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(86,100,000)
Purchase of investments	(428,148,762)	(41,685,990)
Sale of investments	-	-
Dividend received	-	-
Interest received	-	83,059,644
Cash generated /(used in) from investing activities	<u>(428,148,762)</u>	<u>(44,726,346)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(55,207)	-
Proceeds from issue of equity share capital	-	-
Proceeds from issue of Fully Convertible Warrants	-	-
Redemption of Preference Share Capital	-	-
Securities premium received from issue of equity share capital	-	-
Share issue expenses (adjusted against securities premium account)	-	-
GDR issue expenses	-	-
Proceeds from borrowings	86,930,000	-
Repayment of borrowings	-	800,000
Cash generated /(used in) from financing activities	<u>86,874,793</u>	<u>800,000</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

Particulars	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,884	(550,381,954)
Cash and cash equivalents at the beginning of the year	465,801	550,847,756
Cash and cash equivalents at the end of the year	474,685	465,801
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash on hand	83,833	87,748
Balance with scheduled banks in		
- Current accounts	390,853	378,053
- Deposit accounts	-	-
	474,685	465,801

2 The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For Agrawal, Jain and Gupta
Chartered Accountants

Sd/-

Narayan Swami

Partner

Membership No.-409759

For and on behalf of the board of directors

Sd/-

Managing Director

Mr. Nikunj Babulal Choradiya
Mumbai

Date: 09-03-2011

Sd/-

Director

Mr. Harsh Rathore
Mumbai

Date: 09-03-2011

CONSOLIDATED AUDITOR'S REPORT**Auditor's Report on the Consolidated Financial Statements as required for Accounting Standard (AS) – 21 of I.T. issued by ICAI**

The Board of Directors

MAARS Software International limited

Chennai – 17

We have examined the attached Consolidated Balance Sheet of Maars Software International Limited and its subsidiaries Maars Infratech Pvt. Ltd (India), and Maars Software International Ltd FZLLC (Dubai) as at June 30, 2010, the Consolidated Profit and Loss Account for the year then ended and Consolidated Cash Flow Statement thereon.

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. As audit includes, examining on test basis, evidence supporting 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. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of the subsidiary. This has been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the other auditor's report.

We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with requirements of Accounting Standards (A.S) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 30.06.2010.
- b) In the case of the Consolidated Profit and Loss Account of the Loss of the Company and its Subsidiary as at 30.06.2010.
- c) In the case of the Cash Flow Statement of the Cash Flows of the Company and its Subsidiaries.

For, Agrawal Jain & Gupta
Chartered Accountants

Sd/-
(NARAYAN SWAMI)
Partner
M.N. - 409759

Place: Chennai
Date : 10.03.2011

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2010

(Amount in Rupees)

	Schedule	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1512202000	1512202000
Reserves and Surplus	2	216011963	216011963
LOAN FUNDS			
Secured Loans	3	106360738	106360738
Unsecured Loans	4	238836024	181751223
Deferred Tax Liability		23710555	29275382
TOTAL		2097121279	2045601306
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		694577677	762332647
Less : Depreciation		335124603	377518342
Net Block		359453074	384814305
Investments	6	558847849	133119000
Current Assets, Loans and Advances			
i) Sundry Debtors	7	288148255	332528472
ii) Cash and Bank Balances	8	8070619	966106
iii) Loans and Advances	9	1054582644	1326670213
vi) Inventories		1380000	0
		1352181518	1660164791
Less: Current Liabilities and Provisions			
- Current Liabilities & Provisions	10	350891317	367961285
		350891317	367961285
Net Current Assets		1001290201	1292203505
Misc./ Preliminary Exp. profit & loss account		5600 177524555	 235464496
TOTAL		2097121280	2045601306
		0.56	0.73
NOTES ON ACCOUNTS	14		

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

Sd/-

Narayan Swami

Partner

Membership No.-409759

For and on behalf of the board of directors

Sd/-

Managing Director

Mr. Nikunj Babulal Choradiya

Mumbai

Date: 09-03-2011

Sd/-

Director

Mr. Harsh Rathore

Mumbai

Date: 09-03-2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

	Schedule	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
INCOME			
a. Income from operation			
i Domestic		147656934	0
ii Export			221878000
b. Other Income	11	13561509	87823914
TOTAL		161218443	309701914
EXPENDITURE			
Cost of operations	12	112020301	183629000
Administrative expenses	13	166733366	135100000
TOTAL		278753667	318729000
PROFIT BEFORE INTEREST & DEPRECIATION		(117535224)	(9027087)
Interest and Finance charges		0	0
PROFIT BEFORE DEPRECIATION & TAX		(117535224)	(9027087)
Depreciation		25493542	20536853
PROFIT BEFORE TAX		(143028767)	(29563940)
Provision For Taxation			
For Current Tax		102687	0
For Deffred Tax		(5598238)	
For Fringe Benefit Tax		33411	17021
		(5462140)	17021
PROFIT AFTER TAX		(137566627)	(29580962)
AMOUNT AVAILABLE FOR APPROPRIATIONS		(137566627)	(29580962)
APPROPRIATIONS			
PROVISION FOR DIVIDEND FOR PREFERENCE SHARES			
PROVISION FOR DEFERRED TAX			(19044207)
TRANSFERRED TO GENERAL RESERVE		0	0
BALANCE CARRIED TO BALANCE SHEET		(137566627)	(48625169)
EPS	(0.93)		
NOTES ON ACCOUNTS	14		

As per our report of even date attached

For Agrawal, Jain and Gupta
Chartered AccountantsSd/-
Narayan Swami
Partner
Membership No.-409759**For and on behalf of the board of directors**Sd/-
Managing Director
Mr. Nikunj Babulal Choradiya
Mumbai
Date: 09-03-2011
Sd/-
Director
Mr. Harsh Rathore
Mumbai
Date: 09-03-2011

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS

(Amount in Rupees)

	Current Year 30.06.2010	Previous Year 31.03.2009
SCHEDULE "1" SHARE CAPITAL		
AUTHORISED		
1,50,00,000 Preference shares of Rs 10/- each (Previous Year: 1,50,00,000 Preference shares of Rs 10/- each)	150000000	150000000
16,00,00,000 Equity shares of Rs 10/- each (Previous Year: 16,00,00,000 Equity shares of Rs 10/- each)	1600000000	1600000000
	<u>1750000000</u>	<u>1750000000</u>
ISSUED, SUBSCRIBED & PAID UP		
Preference Shares		
35,40,000 Preference Shares of Rs.10/- each (Prev.Year 35,40,000 Preference Share of Rs.10 each)	35400000	35400000
Equity Shares		
14,76,80,200 equity shares of Rs 10/= each fully paid (Previous Year: 14,76,80,200 Equity Shares of Rs.10/- Each)	1476802000	1476802000
	<u>1512202000</u>	<u>1512202000</u>
SCHEDULE "2" RESERVES AND SURPLUS		
Reserves		
Share Premium Account	216011963	216011963
Less: GDR Issue Expenses	0	0
	<u>216011963</u>	<u>216011963</u>
Surplus		
Opening Balance	(50936981)	(167768617)
profit/ loss in concolidations due to exchange diff.	10979053	(19070710)
Add : Transfer from profit & loss account	(137566627)	(48625169)
	<u>(177524555)</u>	<u>(235464496)</u>
SCHEDULE "3" SECURED LOANS		
Scheduled Banks - Cash credit -Secured against Immoveable property of Basement, Ground Floor, First Floor at Habilullah road and book debts of the company	6245297	6245297
Scheduled Banks - Term Loans - secured against Immoveable property Third & Fourth Floors at Habibullah road	32722820	32722820
Financial Institution - Term loan - secured against plant & machinery and immovable property at Padur & second floor at Habibullah road	67392621	67392621
	<u>106360738</u>	<u>106360738</u>
SCHEDULE "4" UNSECURED LOANS		
From Directors		0
From others	238836024	181751223
	<u>238836024</u>	<u>181751223</u>

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS**SCHEDULE - E
FIXED ASSETS**

(Amount in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2009	Additions	Deletions / Transfer	As at June 30, 2010	Up to April 1, 2009	For the Period	Deletions / Transfer	Up to June 30, 2010	As at June 30, 2010	As at March 31, 2009
Land	27,394,864	-	-	27,394,864	-	-	-	-	27,394,864	27,394,864
Building	222,755,519	-	-	222,755,519	31,588,699	4,538,644	-	36,127,343	186,628,176	191,166,820
Computers Systems	230,427,890	-	67,754,970	162,672,920	230,528,973	-	67,856,053	162,672,920	-	(-) 101,083
Furniture and Fittings	46,011,099	-	-	46,011,099	24,114,156	3,924,407	-	28,038,563	17,972,536	21,896,943
Plant and machinery	19,443,275	-	-	19,443,276	8,046,407	1,180,491	31,228	9,195,670	10,247,605	11,396,868
Intangible assets	130,200,000	-	-	130,200,000	83,240,107	15,850,000	-	99,090,107	31,109,893	46,959,893
IPR - Film rights	86,100,000	-	-	86,100,000	-	-	-	-	86,100,000	86,100,000
Total	762,332,647	-	67,754,970	694,577,677	377,518,342	25,493,542	67,887,281	335,124,603	359,453,074	384,814,305
Previous year	677,238,736	-	-	676,514,148	335,392,341	21,589,147	-	356,981,488	319,532,660	341,121,807

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS

(Amount in Rupees)

	No. of shares	Face Value	Current Year 30.06.2010	Previous Year 31.03.2009
SCHEDULE " 6 " INVESTMENTS				
NON TRADE - LONG TERM AT COST				
Investment in Quoted Shares (AT COST)				
Kadam Constration	40000	Rs 42/-	1679674.38	
Kohinoor	3080000	Rs 5.42/-	16724175	
SHARES – UNQUOTED				
Investment in Unquoted Shares (AT COST)				
24x 7 E PowerLtd	99600	Rs.10	2,57,00,000	-
Aarushi Holdings Pvt Ltd.,	15000	Rs.10	7,50,00,000	-
Agrawal Coal Corp Pvt Ltd	32500	Rs.200	65,00,000	65,00,000
Astha Technologies Pvt. Ltd.	150000	Rs.10	1,00,00,000	-
Chandra Trading & Investment Pvt. Ltd.	1300	Rs.10	2,79,50,000	-
Chhajer Synthetics Pvt. Ltd.,	19000	Rs.10	95,00,000	-
Instinct Advtg & Mktg Ltd.	15000	Rs.10	60,00,000	-
Keshav Madhav Home Pvt Ltd.	60000	Rs.10	65,00,000	-
Krishna Glass Pvt Ltd	40000	Rs.10	5,00,00,000	
Maharishi Markendeshwar Properties Infrastructure P	33333	Rs.10	50,00,000	-
Mangalam Alloys Ltd.	40000	Rs.10	2,00,00,000	2,00,00,000
MGF Growth	25840	Rs.100	25,84,000	25,84,000
M.M. Infratech Pvt Ltd.	33333	Rs.10	50,00,000	-
Nexgen Financial SolutionsP. Ltd.,	16000	Rs.10	80,00,000	-
N M Merchantile Ltd.	14000	Rs.10	9,16,00,000	-
Patdi Commercial & Invest Ltd	15000	Rs.10	52,50,000	52,50,000
Power Fortune (I) Pvt Ltd.,	35000	Rs.10	2,25,00,000	-
Psc Softech ImpexP. Ltd.,	28750	Rs.10	1,15,00,000	-
Race Course Cap Markets Ltd	45000	Rs.10	45,00,000	-
Rameshwaram Metals P. Ltd	60000	Rs.50	30,00,000	30,00,000
Rana Polycot Ltd.	330000	Rs.10	99,00,000	-
Ranbro Brakes India Rana Polycot Ltd.	40000	Rs.10	20,00,000	-
Ravi Raj Developers Ltd	149000	Rs.10	74,50,000	74,50,000
Richi Rich Agro Foods Pvt.Ltd.,	70000	Rs.10	1,75,00,000	-
Sarvopari Invts Pvt Ltd	75000	Rs.10	1,00,00,000	-
Selva Gold Covering Pvt Ltd	25000	Rs.10	50,00,000	50,00,000
Shree Ambika Geotex Pvt. Ltd.,	91818	Rs.10	1,01,00,000	-
Shree Bajrangbali Intermediate & Dychem P Ltd	40000	Rs.10	20,00,000	20,00,000
SohrabSpinningMillsLtd.,	370000	Rs.10	1,85,00,000	-

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS

(Amount in Rupees)

	No. of shares	Face Value	Current Year 30.06.2010	Previous Year 31.03.2009
S S V Fab Ind P Ltd	30000	Rs.100	30,00,000	30,00,000
Sugo Gears Pvt .Ltd.,			3,65,75,000	-
Tarun Composite Pvt Ltd	4000	Rs.100	-	40,00,000
Niketan Paper Board Pvt Ltd	2000	Rs.1000	-	20,00,000
Garg Tubes	10000	Rs.10	10,00,000	10,00,000
Jansampark Advertising	1000	Rs.50	50000	50000
P.P.Merchantile pvt ltd.	16000	Rs.10	160000	160000
Chhavi Invest Pvt. Ltd	3000	Rs.10	30000	30000
Riwaz Invest Pvt. Ltd	5000	Rs.10	50000	50000
Papyrun International Pvt. Ltd	40000	Rs.10	40000	40000
K.C. Fibers Pvt. Ltd	7000	Rs.10	70000	70000
Varun Management Services Pvt Ltd	346700	Rs.10	1,73,35,000	1,73,35,000
115000 Shares @Rs.10/- Each Fully paid up Premium in Krishna Glass Pvt Ltd				50,00,000
			55,88,47,849	133,119,000
Book Value of unquoted investements			55,88,47,849	
Market Value of Quoted Investements			20,46,000	
SCHEDULE “ 7 “ SUNDRY DEBTORS				
(Unsecured Considered Good)				
Outstanding for a period exceeding six months			200660986	242441591
Others			87487269	82969849
Branch Debtors				7117032
			288148255	332528472
SCHEDULE “ 8 “ CASH AND BANK BALANCES				
Cash on Hand			6560710	136267
Scheduled Banks -In Current Account			1509909	829839
Foreign Banks - Fixed Deposit – Overseas				
			8070619	966106
SCHEDULE “ 9 “ LOANS AND ADVANCES				
(Unsecured, Considered Good)				
Advances recoverable in Cash or in Kind				
Advance Service Tax			2437932	203000
- T.D.S. / Income Tax			10850631	10242720
- Rent and Other Deposits			13037155	430309
- Other Advances			1028256926	1365794184
			1054582644	1376670213

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS

(Amount in Rupees)

	Current Year 30.06.2010	Previous Year 31.03.2009
SCHEDULE "10" CURRENT LIABILITIES		
Sundry creditors		
for goods / services	57043386	265590701
for accrued salaries and benefits	14087576	14176077
Advance Received From Customers	233100997	540000
Other liabilities	46133997	
Provisions for Exp.	493494	174214
Statutory liabilities	31867	84062
Other current liabilities		87396232
	350891317	367961286
SCHEDULE "11" OTHER INCOME		
Foreign Exchange gain	12594934	77831000
Interest	966575	10002914
	13561509	87833914
SCHEDULE "12" SOFTWARE DEVELOPMENT EXPENSES		
Software Development ,Salaries,		
Consultancy charges and allowances	99702802	183576212
Other	12317499	52788
	112020301	183629000
SCHEDULE "13" ADMINISTRATIVE EXPENSES		
Rent	119700	535600
Salary and wages	769629	300000
Loss on sale of investements	143225413	
Power & Fuel		1255400
Communication	3846	1502110
Business Promotion	2751779	5654000
Audit Fees	225000	405000
Advertisement	4593297	2507050
Repairs & Maintenance	12700	4080644
Travelling & Conveyance	321452	2523560
Printing & Stationery	167249	2620000
Bank Charges	56475	180500
Seminar & Meetings or processing fees	73000	4522500
Books & Periodicals	2877664	65286
Subscriptions / Listing Fees	1055364	2560780
Legal Fees & Professional Charges	825717	925000
Others	7029187	60656770
Web dising charages/Processing charge	2625894	44805800
Total	166733366	135100000

Schedule 14

Notes forming part of Consolidated Balance Sheet and Profit & Loss Account for the year ended **30.06.2010**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**1. METHOD OF ACCOUNTING:**

The accounts are prepared in accordance with the applicable mandatory accounting standards (A.S.) issued by the Institute of Chartered Accountants of India. Generally accrual basis is adopted in the preparation of accounts. Except AS-11 issued by ICAI.

2. SIGNIFICANT ACCOUNTING POLICIES**REVENUE RECOGNITION:**

Revenue from Consultancy and Software Development is recognized as per the terms of specific contracts and based on software development and invoiced to the clients.

FIXED ASSETS:

Fixed Assets have been valued at cost less depreciation. Cost includes other attributable expenses relating to the cost of acquisition.

DEPRECIATION

Depreciation of Fixed Assets, except on Computers, has been provided on Straight Line Method at the rate prescribed in the Companies Act, 1956. Computers are depreciated under Straight Line Method in 4 years time to reflect their true life. License Fee included under Intangible Asset is written off over its life period. And company not provided depreciations on IPR – for films rights and company provide depreciation in the year of release of the films.

INVESTMENTS:

Company valued its investments at Cost at the end of the year but company not refracted his investments into long term investments to current investments.

Company has not making any provision for dilution in the value of shares and securities. And as per management opinion there is no requirements to make any provisions for the same.

BORROWING COSTS:

Borrowing costs, which are not directly attributable to acquisition of the assets, are recognized as expenses under interest and finance charges.

RETIREMENT BENEFITS TO THE EMPLOYEES:

The Company's Liability in the form of Provident Fund is fully charged to Revenue Expenditure. Liability towards Gratuity have been provided as per management's calculation base on the service contracts. Provision has been made for Leave Encashment on actual basis.

FOREIGN CURRENCY TRANSLATION:

Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.

Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.

Foreign currency translation differences related to acquisition of imported fixed assets, if any are adjusted in the carrying amount of the related fixed assets. All other foreign currency gains and losses are recognized in the profit and loss account. Conversion of Maars software FZLLC are as under.

- Fixed Assets and capital and partner account are converted at historical rate that is 1AED = Rs 11.68
- All Currents assets like loans and advances, creditors, debtors, inventory are converted at closing rate as on 30.06.2010 that is 1AED = Rs 12.26
- Items of profit and loss account and all the expenses and revenue are converted at Average rate as on 30.06.2010 that is 1AED = Rs 12.45

3. NOTES ON ACCOUNTS:

(a) Contingent Liabilities / not provided for during the year:

	Current Year 30.06.2010	Current Year 31.03.2009
Disputed claims against company towards income tax demand not acknowledge as debt for the year 2005-06 for which appeal is pending before CIT (Appeal), Chennai.	Rs.32,93,993/-	Rs.32,93,993/-

** Note: The Appeal is pending before Income Tax Tribunal, Chennai for the Assessment Year 2001-02 amounting to Rs. 84,83,898/- which was acknowledged as debt during the current year.

(b) Auditors Remuneration: (Fig. In Rupees)

	Current Year	Previous Year
a) Audit Fees	225,000	205,000
b) Service Tax		
Total :	225,000	205,000

(c) Segment Reporting: during the year company has traded in a single segment that's why as per AS-17 Segment wise Reporting not required.

(d) Related Party Disclosure:

(i) Name of the related parties:

(1) Subsidiaries:

- (a) Maars Infratech Pvt. Ltd
- (b) Maars Software International Ltd. FZLLC-Dubai

(2) Key Management Personnel:

- (a) Mr Nikunj Babulal Choradiya, Managing Director
- (b) Mr. T. Varadharajan, Executive Director

(ii) Transaction with related parties

(Rupees in Millions)

Nature of Transaction	Key Management Personnel	Subsidiaries
During the year:		
- Unsecured Loan	—	NIL
- Investment	—	NIL
- Receivables	—	NIL
- Loans/Advances	—	10.85

Balance Outstanding as at the year end		
- Unsecured Loan	—	NIL
- Investment	—	18.52
- Receivables	—	NIL
- Loans/Advances	—	10.85

e. Earning Per Share as computed in accordance with A.S. – 20 for the year ended on 30.06.2010:

(i) Net Profit (Before Extra ordinary Item)	(137566627)
(ii) No. of total shares outstanding	14,76,80,200
(iii) Basic & Diluted EPS	Rs. (0.93)
(iv) Nominal Value of Share	Rs. 10/-

f. Managerial Remuneration: Nil

g. Deferred Tax Asset/Liability

Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a virtual certainty of their realization. Other items are recognized only when there is a reasonable certainty of their realization.

The Company has adopted Accounting Standard-22 on “Accounting for Taxes on Income” issued by the Institute of Chartered accountants of India. Consequently, the Company has recorded deferred tax liability/Assets in respect of timing differences on account of Depreciation as on 30th September 2010 and the net effects of the same has been given in the Profit & Loss Account and Balance Sheet as on 30th September 2010.

h. The Company did not have any transactions with Small Scale Industrial (‘SME’s’) Undertakings during the year ended June 30, 2010 and hence there are no amounts due to such undertakings. The identification of SME’s undertakings is based on the management’s knowledge of their status. The Company has not received any information from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

i. Balances whether debit or credits are subject to confirmation.

Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.

j. Foreign Exchange earnings and outgo

	Current Year 30.06.2010	Previous Year 31.03.2009
Total Foreign Exchange Earnings	NIL	6,62,80,263/-
Total Foreign Exchange Used	NIL	9,15,78,597/-

k. All the figures have been rounded off to the nearest rupee.

- l. The previous year's figures have been regrouped/restated where ever it required.
- m. We have verified the vouchers and documents which were made available to us for our verification. Where no such vouchers or documentary evidences were available, we relied on the information and explanation given by the management.
- n. Cash on hand is as certified by the management.
- o. Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet

As per our Report of even date attached

For, Narayan Swami & Associates

Chartered Accountants

Sd/-

(Narayan Swami)

Partner

M.No.- 409759

For & on behalf of Board of Directors

Sd/-

Mr Nikunj Babulal Choradiya (Managing Director)

Sd/-

Mr. T. Varadharajan (Executive Director)

Place: Chennai

Date : 10.03.2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

Particulars	Current Year 30.06.2010
CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before depreciation and taxes	(117535224)
Other Income	(13561509)
Loss on sale of Investements	143225413
Interest	0
Operating Profit before working capital changes	12128680
WORKING CAPITAL CHANGES	
Decrease/(Increase) in stock	(1380000)
Decrease/(Increase) in Debtors	44380217
Decrease/(Increase) in Other receivables	272087569
Increase/(Decrease) in Payables	(17069968)
Net Working Capital Changes	299397818
Interest	0
Net Cash flow from operating Activities	311526498
CASH FLOW FROM FINANCING ACTIVITIES	
Issuance of further Preference Shares	
Issuance of further equity	
Share Premium	0
Unsecured Loans	57084801
Secured Loans	0.00
Net Cash from Financing Activities	57084801
Extra-ordinary Items	
Prior period adjustments	
foreign exchhange gain /loss	(17094415)
Other Extra-ordinary items	
Total Extra-ordinary Items	(17094415)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	67754970
Investment	(425728849)
Share issue expenses	
Sale of Investments	0
Other Income	13561509

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

Particulars	Current Year 30.06.2010
Net Cash flow from Investing Activities	(344412370)
Net Increase in Cash & Cash Equivalents	7104513
Cash & Cash equivalents at the beginning of the year	966106
Cash & Cash equivalents at the end of the year	8070619

NOTES ON ACCOUNTS

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

Sd/-

Narayan Swami

Partner

Membership No.-409759

For and on behalf of the board of directors

Sd/-

Managing Director

Mr. Nikunj Babulal Choradiya

Mumbai

Date: 09-03-2011

Sd/-

Director

Mr. Harsh Rathore

Mumbai

Date: 09-03-2011

**AUDITOR'S REPORT TO THE OWNER OF
MAARS SOFTWARE INTERNATIONAL LTD. FZE**

We have audited the attached Balance Sheet of Messers. MAARS SOFTWARE INTERNATIONAL LTD., FZE, SHARJAH, UNITED ARAB EMIRATES as at 30th June 2010, and the related income statement for the period ended on that date, as set out on page 2-7 of these financial statements. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with international standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. 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 uses and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

This is our first audit of the booked of accounts of Messers. MAARS SFTWARE INTERNATIONAL LTD., FZE, SHARJAH, UNITED ARAB EMIRATES. These financial statements represent the results of the operations of the company from its incorporation until the date of this Balance sheet.

In our opinion , the financial statements referred to above, present a true and fair view in all material aspects, of the financial position OF Messers MAARS SOFTWARE INTERNATIONAL LTD. FZE, SHARJAH, UNITED ARAB EMIRATES and the results of its operations and fund flows for the year on that date. In accordance with International Financial Reporting Standards. Also in our opinion, proper books of accounts have been maintained by the company and the contents of the report of the manager relating to these financial statements are in agreement with the books of account. To the best of our knowledge and belief, no violations of the UAE commercial Companies law have occurred during the year which would have had a material effect on the business of the company or on its financial position.

AL SAIF AUDITING & ACCOUNTANTS
CHARTERED ACCOUNTANTS

MAARS SOFTWARE INTERNATIONAL LIMITED FZE
HAMRIYA FREE ZONE - SHARJAH, UNITED ARAB EMIRATES
BALANCE SHEET AS ON 30 JUNE 2010

Particulars	Notes	15 months ended June 30,2010 AED	12 months ended March 31 2009 AED
Fixed assets	1	49,500	72,000
Current Assets			
Cash and bank	2	528,105	32,930
Accounts receivable	3	6,367,499	5,839,657
Other assets	4	0	-
		6,895,604	5,872,587
TOTAL ASSETS		6,945,104	5,944,587
Current Liabilities	5	4,107,350	5,026,191
		4,107,350	5,026,191
Shareholders Funds			
Share capital		150,000	150,000
Retained earnings		687,754	(1,231,604)
Partners accounts		2,000,000	2,000,000
TOTAL LIABILITIES & EQUITY		6,945,104	5,944,587

The Auditor's Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

For Maars Software International Ltd. FZE

sd/-
Director

MAARS SOFTWARE INTERNATIONAL LIMITED FZE
STATEMENT OF INCOME & APPROPRIATION OF PROFITS
FOR THE YEAR ENDED 30 JUNE 2010

Particulars	Notes	15 months ended June 30,2010 AED	12 months ended March 31 2009 AED
Turnover		10,612,498	12,038,254
Cost of operations		(4,337,782)	(4,395,473)
Personnel expenses		(3,669,832)	(7,343,924)
Operating expenses		(663,026)	(1,530,461)
Net profit before depreciation		1,941,858	(1,231,604)
Depreciation	1	(22,500)	-
Net profit		1,919,358	(1,231,604)
Retained earnings b/f		(1,231,604)	-
Profit / (loss) for the year		1,919,358	(1,231,604)
Retained earnings		687,754	(1,231,604)

The Auditor's Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

For Maars Software International Ltd. FZE

sd/-
Director

MAARS SOFTWARE INTERNATIONAL LIMITED FZE
STATEMENT OF SOURCE & APPROPRIATION OF FUNDS
FOR THE YEAR ENDED 30 JUNE 2010

Particulars	Notes	15 months ended June 30,2010 AED	12 months ended March 31 2009 AED
Cashflow from operating activities			
Net profit/loss for the year		1,919,358	-1,231,604
<u>Adjustment for non-cash items</u>			
Depreciation on fixed assets		22,500	0
		1,941,858	-1,231,604
<u>Changes in operating assets</u>			
Chance in trade receivables		(527,842)	-5815301
Chance in prepayments & other assets		-	-24356
Chance in creditors & other liabilities		(918,841)	5026191
	(A)	495,175	(2,045,070)
Cashflow from investing activities			
Outlay for Fixed Assets		0	-72000
	(B)	0	-72000
Cashflow from financing activities			
Issue of share Capital			150000
Change in shareholder's loans		0	2,000,000
	(C)	0	2,150,000
Net increase in cash & cash equivalents	(A+B+C)	495,175	32,930
Cash & cash equivalents at beginings of the year		32,930	0
Cash & cash equivalents at end of the year		528,105	32,930

The Auditor's Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

For Maars Software International Ltd. FZE

sd/-
Director

MAARS SOFTWARE INTERNATIONAL LIMITED FZE
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Schedule of Fixed Assets	Furniture & fittings AED	Computers & Equipments AED	Motor Vehicles AED	Total AED
1 Fixed Assets at Cost				
As on 01st April 2009	72,000			72,000
Additions during the year				
Disposals during the year				
As on 30th June 2010	<u>72,000</u>	<u>-</u>	<u>-</u>	<u>72,000</u>
Depreciation				
As on 01st April 2009				-
Depreciation for the Year	(22,500)	-	-	(22,500)
Adjustment for disposals	-	-	-	-
As on 30th June 2010	(22,500)	-	-	(22,500)
Net book value				
As on 30th June 2010	49,500	-	-	49,500
As on 31st March 2009	72,000	-	-	72,000
2 CASH & BANK				
Cash in hand		428,321		2,540
Cash at Bank		99,784		30,390
		<u>528,105</u>		<u>32,930</u>
3 ACCOUNTS RECEIVABLE				
Accounts receivable		6,367,499		5,839,657
		<u>6,367,499</u>		<u>5,839,657</u>
4 OTHER ASSETS				
Investment		-		-
Advances for Production work		-		-
Prepaid expenses		-		-
Refundable Deposit		-		-
		<u>-</u>		<u>-</u>
5 CREDITORS & OTHER LIABILITIES				
Accounts payable		3,461,550		4,650,280
Accrued expenses & provision		645,800		375,911
		<u>4,107,350</u>		<u>5,026,191</u>

6 CONTINGENT LIABILITIES

The management has confirmed that no liabilities exist, contingent or otherwise, as on the date of Balance sheet other than those included in the Balance sheet.

7 OTHERS

Figures have been rearranged and regrouped wherever necessary to confirm to the presentation.

For Maars Software International Ltd. FZE

sd/-

Director

NOTICE

Notice is hereby given that the **ANNUAL GENERAL MEETING** of the Members of Maars Infratech Private Limited will be held at the Registered Office of the Company at 18-22, 4th Floor, Mohid Heights, Lokhandwala Road, Andheri (West) Mumbai – 400 053, Maharashtra on 30th September, 2010 at 3.00 P.M. to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as on 30th June 2010 & Profit & Loss Account for the Year ended on that Date together with the reports of Directors and Auditors thereon.
2. To appoint, an Auditors to hold office from the conclusion of this annual general meeting until the conclusion of next annual general meeting and fix their remuneration.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

By Order of the Board of Directors

sd/-

Director

Place: Mumbai

Date: 01.09.2010

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report together with the Balance sheet as on 30th June 2010.

FINANCIAL RESULTS

(Amount in Rupees)

	Year ended On 30th June 2010
Profit \ (Loss)	4,38,570
LESS : Depreciation	—
Profit/(loss) before tax	4,38,570
Less: Provision for Deferred tax	33,411
Less: Provision for Tax	1,02,687
Net profit after tax	3,02,472
Profit & (loss) brought forward	(74714)
Profit & loss carried to the balance sheet	2,27,758

OPERATIONS

During the year under review the company earned the earn a loss and Board of Directors believe that the better results would be in the current financial year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the companies act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed :

- I) That in the preparation of the accounts for the financial year ended 30th June, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II) That the Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for the year under review
- III) That the directors have take proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the companies act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV) That the Directors have prepared the accounts for the financial year ended 30th June, 2010 on a 'going concern' basis.

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

Since the company doesn't own any manufacturing facility, the provisions of section 217(1) (e) of the companies act, 1956 read with the companies (disclosure of particulars in the Report of the Board directors)

rules, 1988 are not applicable. During the year under review the company did not have any foreign exchange earning and outgo.

PARTICULARS OF EMPLOYEE

Since the none of the employees of the company employed throughout the year were in receipt of remuneration of Rs. 24,00,000/- per annum, or 2,00,000 per month or part thereof statement pursuant to the provisions of section 217(2A) of the companies act 1956 read with the Companies (Particulars of employees) rules 1975 is not furnished.

AUDITORS

M/S. Agrwal Jain and Gupta., Chartered Accountants , Auditors of the Company they are being eligible, for appointment.

APPRECIATION

The Directors wish to place on records their appreciation for valuable support extended by Bankers of the company & acknowledge co-operation and efforts of the staff in making company's operation successful.

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Director

Place : Chennai
Date : 01.09.2010

AUDITOR'S REPORT

To,
The Members,
Maars Infratech Pvt. Ltd

We have audited the attached Balance sheet of the M/s Maars Infratech Pvt. Ltd as on 30th June, 2010 and also Profit & Loss Account of the company for the year ended 30th June, 2010. 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 have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance 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 presentation of the financial statement we believe that our audit provides a reasonable basis for our opinion.

In view of para 2 (iv) of the Companies (Auditors' Report) Order, 2003, the company is exempt from the provision of the said order and hence, no such order report has been included in our report.

We report that:-

- (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) In our opinion, the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (d) The Balance sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account of the company.
- (e) According to information and explanations given to us, none of the Directors is disqualified as on 30/06/2010 from being appointed as a directors under Section 274 (1) (g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanation given to us, and read together with other notes thereon, give the information required by Companies Act, 1956. In manner so required and present true & fair view:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 30th June, 2010 and
 - (ii) In the case of the Profit & Loss Account, of the Loss of the company for the year ended 30th June, 2010.

For, Agrawal Jain & Gupta
Chartered Accountants

Sd/-
(NARAYAN SWAMI)
Partner
M.N. - 409759

Place: Chennai
Date : 1st September, 2010

BALANCE SHEET AS AT JUNE 30, 2010

(Amount in Rupees)

	Schedule	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	A	100,000	100,000
Reserves and surplus	B	227,653	-
		327,653	100,000
Loan funds			
Secured loans	C	-	-
Unsecured loans	D	9,350,631	1,050,000
		9,350,631	1,050,000
Deferred tax liability (net)		-	-
		9,678,285	1,150,000
APPLICATION OF FUNDS			
Fixed assets			
Gross block		-	-
Less: Depreciation/amortization		-	-
Net block		-	-
Capital work in progress		-	-
		-	-
Investments			
Deferred tax asset (net)		-	33,411
Current assets, loans and advances			
Inventories	E	1,380,000	-
Sundry debtors	F	-	-
Cash and bank balances	G	1,119,623	32,014
Loans and advances	H	11,615,334	1,525,500
		14,114,957	1,557,514
Less: Current liabilities and provisions			
Current liabilities	I	4,247,500	480,950
Provisions		194,773	41,797
		4,442,273	522,744
Net current assets		9,672,684	1,034,770
Miscellaneous expenditure			
[to the extent not written off or adjusted]	P	5,600	7,000
Profit and loss account		-	74,714
		9,678,285	1,150,000
Notes to account	Q		-

The accompanying schedules form an integral part of this balance sheet.

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

Sd/-

Narayan Swami

Partner

Membership No.-409759

For and on behalf of the board of directors

Sd/-
Director

Sd/-
Director

Mumbai
Date: 01-09-2010

Mumbai
Date: 01-09-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

	Schedule	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
INCOME			
Revenue from operations	J	6,120,000	-
Other income	K	966,575	-
		7,086,575	-
EXPENDITURE			
Cost of operations	L	6,010,779	-
Employees cost	M	560,974	50,000
Administration and other expenses	N	73,584	58,125
Finance cost	O	1,268	-
Depreciation/amortisation		-	-
Preliminary Expenses w/off	P	1,400	-
		6,648,005	108,125
Profit/(Loss) before tax		438,570	(108,125)
Less: Provision for taxation			
- Current tax		102,687	
- Deferred tax charge / (credit)		33,411	(33,411)
- Wealth tax		-	-
- Fringe benefit tax		-	105
- Tax adjustments for earlier year (net)		-	-
Profit/(Loss) after tax		302,472	(74,819)
Balance brought forward from previous year		(74,714)	-
Amount available for appropriation		227,758	(74,819)
Balance of Profit/(Loss) carried forward to balance sheet		227,758	(74,819)
Earnings per share of Rs. 10/- each			
- Basic		30.25	(7.47)
- Diluted			

Notes to account

Q

The accompanying schedules form an integral part of this profit and loss account.

As per our report of even date attached

For Agrawal, Jain and Gupta
Chartered Accountants

Sd/-
Narayan Swami
Partner
Membership No.-409759

For and on behalf of the board of directors

Sd/- Director	Sd/- Director
Mumbai Date: 01-09-2010	Mumbai Date: 01-09-2010

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'A'		
Share Capital		
Authorized		
10,000 Equity shares of Rs.10 each (Previous Year :10,000 Equity shares of Rs.10 each)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up		
Equity shares		
10,000 Equity shares of Rs.10 each (Previous Year :10,000 Equity shares of Rs.10 each)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Schedule 'B'		
Reserves and Surplus		
Securities premium account		
As per last balance sheet	-	-
Add: Received during the year on issue of equity shares	-	-
Balance in profit and loss account	227,653	-
	<u>227,653</u>	<u>-</u>
Schedule 'C'		
Secured loans		
Loans from banks	-	-
	<u>-</u>	<u>-</u>
Schedule 'D'		
Unsecured loans		
Loan from holding Company	9,350,631	-
From others	0	1050000
	<u>9,350,631</u>	<u>1,050,000</u>
Schedule 'E'		
Inventories		
[As taken, valued and certified by the management]		
Projects-in-progress	1,380,000	-
Raw material	-	-
	<u>1,380,000</u>	<u>-</u>
Schedule 'F'		
Sundry Debtors		
Considered Good	-	-
Considered Doubtful for a period exceeding 6 months	-	-
	<u>-</u>	<u>-</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'G'		
Cash and bank balances		
Cash on hand	567	12,014
Balances with scheduled banks		
- Current accounts	1,119,056	20,000
- Deposit accounts*	-	-
	<u>1,119,623</u>	<u>32,014</u>
Schedule 'H'		
Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Loan & Advances	10,000,000	-
- Considered Good	1,589,834	1,500,000
Deposits	25,500	25,500
	<u>11,615,334</u>	<u>1,525,500</u>
	<u>11,615,334</u>	<u>1,525,500</u>
Schedule 'I'		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors	367,500	465,950
Advance From Customers	3,880,000	-
Other liabilities	-	15,000
	<u>4,247,500</u>	<u>480,950</u>
Provisions		
Income tax (net of tax payments)	6,030	-
Statutory liabilities		34,050
FBT	105	105
For Expenses	188,639	7,639
	<u>194,774</u>	<u>41,794</u>
	<u>4,442,274</u>	<u>522,744</u>
Schedule 'P'		
Miscellaneous expenditure		
[to the extent not written off or adjusted]		
Preliminary Expenses	7,000	-
Expenses Incurred during the year		7,000
Less: Amortized during the year	1,400	-
	<u>5,600</u>	<u>7,000</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT JUNE 30, 2010

(Amount in Rupees)

	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Schedule 'J'		
Revenue From Operations		
income from Constration	-	-
constration of Resinditial plot no. 387/388 being 75 % work completion commercial	6,120,000	-
	6,120,000	-
Schedule 'K'		
Other income		
Interest Received	966,575	-
Miscellaneous income	-	-
	966,575	-
Schedule 'L'		
Cost of Operations		
Cost of Development , salary , consultancy , charges	6,010,779	-
Staff welfare Expenses	-	-
Purchases	-	-
	6,010,779	-
Schedule 'M'		
Employee Cost		
Salaries, wages and other benefits	168,000	-
Director Remuneration	392,974	50,000
Staff welfare Expenses	-	-
	560,974	50,000
Schedule 'N'		
Administration and other expenses		
Travelling and conveyance	-	45
Accounting charges	18,000	10,000
Legal and professional charges	721	5,123
Printing and stationery	1,560	29,068
Rent	6,000	-
Communication	18,035	1,639
Auditors remuneration	25,000	5,000
Others office expenses	9,597	1,250
Misc. Expenses	671	-
	73,584	58,125
Schedule 'O'		
Finance cost		
Interest on		
- Fixed period loans	-	-
- Others	-	-
Bank charges	1,268	-
	1,268	-

SCHEDULE – Q**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS :**

ACCOUNTING POLICES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 2010.

1. ACCOUNTING POLICIES:A) BASIS OF ACCOUNTING:

The account are prepared under historical cost convention and as per mercantile system.

B) FIXED ASSETS AND DEPRECIATION : NilC) INVESTMENTS:

Investment are stated at cost

D) CONTINGENT LIABILITY:

There is no Contingent Liability provided for and are disclosed in notes to the account.

E) INVENTORIES:

During the year there WIP- of constriction contract is stated on cost and such valuation is done by management of the companion time to time basis.

2. NOTE TO THE ACCOUNTS:

1. Previous Year's figure have been regrouped / rearranged wherever necessary.

	<u>2009-10</u>	<u>2008-2009</u>
2. Earning in foreign currency	Rs.NIL	Rs.NIL
3. Expenditure in foreign currency	Rs.NIL	Rs.NIL
4. Remuneration to Auditors	Rs. 25000/-	Rs. 5000/-

5. The company is not manufacturing any items, the additional information pursuant to part – II B of Schedule VI of the Companies Act, 1956 has not been furnished.

6. Accounting for Taxation:

Due to losses in the year, Deferred tax assets / liabilities has been provided for in the books of accounts as per AS-22 issued by ICAI.

7. RELATED PARTY DISCLOSURE

a. Companies under same management:- Nil

b. Directors:-

1. Shri Harsh Vardhan Rathore
2. Shri Hussian Shattaf
3. Shri Dattatrye Joshi

c. Transaction entered into with the above parties:- Rs.3,92,974/- as Directors Remunerations

8. Balances whether debit or credits are subject to confirmation.

9. Cash on hand is as certified by the management.

10. The information relating to the Balance sheet abstract and Company's general business profile as per part IV to the Companies Act, 1956 is as under

1. REGISTRATION DETAILS:

Registration No:	188949
State Code	11
Balance Sheet Date	30/06/2010

2. CAPITAL RAISED DURING THE PERIOD (AMOUNT IN RS):

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL

3. POSITION OF MOBILISATION AND DEPLOMENT OF FUNDS (Rs. In Thousand)

Total Liabilities	9678
Total Assets	9678

SOURCES OF FUNDS :

Paid up Capital	100
Share Application Money	NIL
Reserve & Surplus	229
Secured Loans	NIL
Un secured Loans	9350

APPLICATION OF FUNDS :

Net Fixed assets	NIL
Investment	NIL
Net Current assets	9673
Miscellaneous Expenditure	5
Accumulated Losses	NIL

4. PERFORMANCE OF COMPANY (AMOUNT IN THOUSAND):

Turnover	6120
Other Income	966
Total Expenditure	6648
Profit / (Loss) before tax	439
Profit / (Loss) after tax	302
Earning per shares (Rs.)	30.25
Dividend Rate (%)	NIL

5. GENERIC NAMES OF THREE PRINCIPAL SERVICES OF COMPANY :

(AS PER MONETARY TERMS)

Item Code No. ITC Code	N. A.
Service Description	Constrictions, Real estate developer

As per our Report of even date attached

For, Agrawal Jain & Gupta
Chartered Accountants

Sd/-
(Narayan Swami)
Partner
M.No.- 409759

Place: Mumbai
Date : 1st September 2010

For & on behalf of Board of Directors

Sd/-
Director

Sd/-
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

Particulars	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	438,570	(108,125)
Adjustments for:		
Depreciation/amortisation		
Provision for Income tax	(102,687)	
Interest cost		-
Interest received	(966,575)	
Provision for doubtful debts / advances	-	-
Miscellaneous expenditure written off	1,400	-
	<u>(1,067,862)</u>	<u>-</u>
Operating cash flow before changes in working capital	(629,292)	(108,125)
Adjustments for:		
(Increase)/decrease in inventories	(1,380,000)	-
(Increase)/decrease in sundry debtors	-	-
(Increase)/decrease in loans and advances	(10,089,834)	(1,525,500)
Increase/(decrease) in current liabilities and provisions	3,919,530	522,744
Net changes in working capital	(8,179,596)	(1,002,756)
Taxes paid	-	-
Less : Extra ordinary items		
Prelimnery Expenses	-	(7,000)
Cash generated from/(used in) operations	(8,179,596)	(1,117,881)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Purchase of investments		
Sale of investments		-
Dividend received	-	-
Interest received	966,575	-
Cash generated /(used in) from investing activities	966,575	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid		-
Securities premium received from issue of equity share capital	-	-
Proceeds from Issue of Shares	-	100,000
Proceeds from borrowings	8,300,631	1,050,000
Repayment of borrowings	-	-
Cash generated /(used in) from financing activities	8,300,631	1,150,000
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,087,610	32,119
Cash and cash equivalents at the beginning of the year	32,014	-
Cash and cash equivalents at the end of the year	1,119,624	32,119

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

(Amount in Rupees)

Particulars	15 months ended 'June 30, 2010	12 months ended 'March 31, 2009
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash on hand	567	12,014
Balance with scheduled banks in		
- Current accounts	1,119,056	20,000
- Deposit accounts	-	-
	<u>1,119,623</u>	<u>32,014</u>

- 2 The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard
3. 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

Sd/-

Narayan Swami

Partner

Membership No.-409759

For and on behalf of the board of directors

Sd/-

Director

Mumbai
Date: 01-09-2010

Sd/-

Director

Mumbai
Date: 01-09-2010

MAARS SOFTWARE INTERNATIONAL LIMITED

Regd.Office: Office No Q -205, Second Floor, Real Enclave, No. 22,
Josier Street, Nungambakkam, Chennai-600 034.

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING HALL**

Joint Shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
--------	--

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

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

No. of Share(s) held	
----------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 14TH ANNUAL GENERAL MEETING of the Company held on 31ST MARCH 2011 at 9.00a.m. at JC Mahal, Kodungaiyur, Chennai – 600 118.

Signature of the Shareholder or Proxy

*Applicable for investors holding shares in electronic form.

MAARS SOFTWARE INTERNATIONAL LIMITED

Regd.Office: Office No Q -205, Second Floor, Real Enclave, No. 22,
Josier Street, Nungambakkam, Chennai-600 034.

PROXY FORM

DP Id*	
--------	--

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

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

I/We of
being a member/members of MAARS SOFTWARE INTERNATIONAL LIMITED hereby appoint
..... or failing him of
as my /our proxy to vote for me/us and on my /our behalf at the 14TH ANNUAL GENERAL MEETING to be
held on the 31ST MARCH, 2011 or at any adjournment thereof.

Signed this day of 2011.

*Applicable for investors holding shares in electronic form.

Affix a 15 Paise Revenue Stamp

NOTE:

- (1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this proxy for other folios. The Company shall provide additional forms on request.

BOOK-POST

If undelivered, please return to :

MAARS SOFTWARE INTERNATIONAL LTD.

Off. No. Q-205, Real Enclave,
2nd Floor, No. 22, Joshier Street,
Nungambakkam, Chennai - 600 034.