



ANNUAL REPORT
2009-2010

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BOARD OF DIRECTORS

- ▶ Mr. K. Chandra, Chairman & CEO
- ▶ Mr. K. R. Paramesvar
- ▶ Mr. R. Gowri Shanker
- ▶ Mr. Hari Chandra
- ▶ Mr. M. Srinivasan (*w.e.f. December 03, 2010*)
- ▶ Mr. Hendrikus Adrianus Alfonsus (*w.e.f. December 03, 2010*)

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER: Mr. S. Sivakumar

STATUTORY AUDITORS: G. Balu Associates, Chennai

LEGAL ADVISORS: HSB Partners, Chennai

BANKERS

ICICI Bank Limited, Chennai
State Bank of India, Chennai
IDBI Bank Limited, Chennai
Oriental Bank of Commerce, Chennai

AUDIT COMMITTEE

• Mr. K. R. Paramesvar, Chairman • Mr. Hari Chandra • Mr. Hendrikus Adrianus Alfonsus

COMPENSATION COMMITTEE

• Mr. K. R. Paramesvar, Chairman • Mr. Hari Chandra • Mr. Hendrikus Adrianus Alfonsus

SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

• Mr. K. R. Paramesvar, Chairman • Mr. R. Gowri Shanker • Mr. Hari Chandra

PRESENT REGISTERED OFFICE

New No.38.Old No.159,
First Floor,Srirama Building,
Greams Road,
Chennai-600 006

NEW REGISTERED OFFICE (*w.e.f. December 9, 2010*)

2nd Floor, RR Towers IV
T.V.K. Industrial Estate,
Guindy, Chennai – 600 032
Tel: +91-44 4391 3403 Fax: +91-44 2250 2795

CORPORATE OFFICE

II Floor, 758, Udyog Vihar,
Phase 5, Gurgaon– 122016, Haryana

Chairman's Letter

Dear Fellow shareholders,

The year 2009-2010 will mark as one of the toughest years in our history.

The year started with initiation of liquidation process of our private equity investor who also lent against some of the acquisitions and provided working capital.

During the year we were forced to repay considerable sums of money to them as also suffer from them bringing down working capital limits from \$20 mm to \$5mm. We also believe that one or more of the private equity investors liquidated stake(s) held in the company thereby depressing the value of the company.

This placed considerable pressure on the company's finances leading to backlog to most stakeholders. We have managed to clear most dues but are left with the aftermath of this serious dislocation.

MGL has always been a company with outstanding management team and fostered fantastic team spirit. The above events seriously dislocated the band of confidence that accompanies great teams.

We have continued to deliver without interruptions to our clients and this is a great achievement and symbolizes MGL spirit. The company is solvent in spite of the tough events of 2008-10.

While I am personally confident of stabilizing the company in 2010-11, the challenges are enormous and daunting. The team that we have is among the best in the industry and with its support, I am confident that we will do all that is necessary to rebuild the Company in a manner that forever insulates us from the set of events that overtook us in 2009-10.

The US economy, our prime market is getting back on track though outsourcing has become a difficult issue and the business models have to change. I am confident that the Company will overcome this hurdle and continue its growth path.

I thank all our stakeholders including our employees, clients, banks and the shareholders for their forbearance during this difficult time.

Sincerely,

Sandy K. Chandra
Chairman and CEO, MGL

People Are The Roots Of Innovation.

Management Discussion & Analysis

MGL WHO WE ARE

We are an Intellectual Property and framework-led, domain-centric technology services and solutions company.

MGL is an IP-led, domain-centric technology solutions company, headquartered in Delhi, with development centers and business operations in the US, Europe, Asia, and Mexico. We deliver technology solutions across multiple industries. We use a comprehensive blend of products, services, and a robust global delivery model to build, deploy, manage and maintain technology solutions that help our clients meet their most aggressive business objectives.

FOR MORE THAN 29 YEARS,
MGL HAS BEEN THE INNOVATION PARTNER
OF CHOICE FOR BLUE-CHIP FIRMS AROUND THE GLOBE.

INNOVATIVE TECHNOLOGY SERVICES AND SOLUTIONS THAT TRANSFORM OUR CLIENTS' BUSINESSES.

We deliver technology solutions that transcend simply understanding a given set of technologies, but rather we provide our clients with effective innovative ways of solving their most pressing business problems. We deliver proprietary products, frameworks, and solutions with the clear objective of becoming a trusted partner to the success of our clients.

A PROVEN BUSINESS MODEL

- *Flexible engagement models and solutions to suit customer needs*
- *A global presence that finds us in all the places our clients do business*
- *We are a "right sized" business partner: our scale balances our ability to tackle any size project, while keeping our clients as names, not just numbers.*
- *A carefully cultivated workforce that is the envy of our industry*

DOMAIN-CENTRIC LEADERSHIP

MGL focuses on four key verticals Financial Services, Manufacturing, Communications, and Healthcare & Life Sciences. During recent years, MGL has created Innovation Centers in each of these areas, worked with technology partners to define new service offerings, created new engagement models, and developed innovative processes to provide customers the top service in the industry. These innovative, domain-centric businesses have created powerful solutions such as Ezplastics in alliance with SAP, a revenue cycle management product for physician front-offices, a wealth management product for investment bankers, and a multi-purpose mobile transaction platform that provides value-added services on mobile handsets.

CONSTANT EVOLUTION

We never stop investing in and advancing our business to ensure we keep pace with our clients:

- Focus on product engineering and technology solutions to support our domain focus, as well to emerge as the leading technology solutions company
- Ongoing investment in product research and development to create assets that enable us to implement market-ready, highly configurable, and wholly unique solutions for our clients
- Long-term development of our people to ensure they lead each of the industries we serve

FINANCIAL PERFORMANCE FY 2009-10

The year in perspective was difficult with revenues dropping by 13% with resultant losses, due to the economic situation in the US. Though costs were controlled yet margins dropped due to write-offs of certain recoverable and loss on exchange.

OUR PEOPLE'S SUCCESS WAS BUILT UPON:

MGL now has a global strength of 3,346 staff personnel. 1,651 professionals onsite are supported by 1,695 professionals offshore. We continue to augment our resources to penetrate key focus areas

COMPANY STRATEGY

Strategy and CEO Goals

The IT industry's global user behavior as well as that of the labor market is now further on the track of maturation. The veils of mystery around the mechanisms in the various traditional IT labor markets are now thinner than ever before and the mystique of the offshore has now almost entirely dissolved. This has taken the cost-value linkage to such a level that efficiency of operations has become a top-3 item in IT Services Provider CEO's goals.

Labor costs in the markets that resource the IT workforce continue to rise, albeit at less frenzied pace. In the biggest markets there is significant change in outlook towards flexibility of movement of skilled workforce across borders.

The eternal market-place truth is that paying customers continually up their expectations of what they should get for their money. Vendor competitiveness makes servicing such customer demand an imperative. Besides, the playing field has become homogeneous across customer-size segments with all comers competing everywhere.

All these factors in tandem are driving a set of new challenges for players such as MGL to be able to grow profitably:

- Excellence in operations is a mission critical sustainability factor
- Present and emerging customer expectations mean that it would take either significant scale or niche play with deep skills or both as perhaps the only remaining success recipes in the pure-play services provisioning space
- In a homogenous playing field micro service delivery and relationship management on the part of the mid-size players is an essential element of market penetration and customer retention.
- Talent Retention becomes crucial like never before in order to retain 'intelligence' and to build on it. Therefore application of innovative cost effective career life-cycle models of talent development on ever shortening tenures becomes a significant leadership challenge.
- Differentiated employment models for different service offerings on the value chain continue to be key to management of workforce expectations and cost.
- Amongst IT Services Provisioning players, most current management practices and business constructs emerge from a mental model of 18% plus EBIDTA earnings. There is an urgent need to re-conceptualize constructs keeping a more realistic 12% to 14% EBIDTA earnings expectation.
- A key element of such a new construct would be a new global delivery model incorporating the new reality of a significant change to the market scenario caused by changed visa policies. It is unlikely that these changes are temporary.

KEY ELEMENTS OF OUR STRATEGY:

1) We are moving from a holding company-like structure to a closely integrated one. Through this we expect to accomplish the following:

- *Drive operational efficiency and effectiveness within a newly defined construct.*
- *In response to the need for extreme nimble-footedness combined with Micro Service Delivery and Client Relationship Management, this structural change will help us drive empowerment as far across as possible while getting maximum associates to face the clients and the market.*

2) We attempting to achieve scale in fewer, sharply focused technology, domain and industry vertical segments which will help us invest effectively in deep skills and innovation efforts.

3) Relationship Management and Key Consultant continuity with customers, their ability to deliver consistently better value, and their enthusiasm for being our best brand ambassadors are key elements of our workforce strategy

4) We will continue to build on our highly digitized and centralized shared services structure to offer key functions and processes on a common platform that will ensure scalability, institutionalization, and economies of scale.

5) Clear differentiation through sharp focus, deep skills and scale within them as well as proprietary innovation, continue to be our chosen strategic approach to market penetration and account scaling.

6) We recognize the need for a new outlook towards global delivery in the light of visa policy changes in key served markets and we have put together an effective response through restructuring our legal entity structures, delivery locations and workforce mix.

CEO GOALS AND OBJECTIVES 2010-2011

GET THE COMPANY BACK ON THE RAILS.

Restore stakeholder confidence. Reorganize for effectiveness.

EXECUTE GROWTH PLAN.

Return Company to “normal industry growth and profitability” curve.

BUILD BEST-IN-CLASS MANAGEMENT TEAM

Continue to add more key members to the management team and focus on the “team” aspect.

BRAND-BUILDING

Continue to implement the global branding strategy.

CORPORATE GOVERNANCE

Ensure that the company complies with all corporate governance norms set by stock exchanges and regulators.

OPPORTUNITIES & RISKS

OPPORTUNITIES

MGL is a mid-size, IP-led, domain-centric technology solutions company. We are on a journey of transformation and aim to become a dominant player in our chosen domains and technologies. The IT services market continues to be full of exciting opportunities. The key global drivers will continue to be cost arbitrage, access to talent, reducing time-to-market, business improvements, and access to emerging markets. The future for all these key drivers continues to be positive.

Opening up of new market segments

There is a large addressable space that is yet to be tapped. The IT industry is continuously opening up the addressable space with new service offerings. It is expected that the IT industry will continue to open up new market opportunities that will drive growth in the foreseeable future.

Domestic Market

The Indian domestic market presents huge opportunities for growth during foreseeable future. Indian businesses are increasingly focusing on their core competencies and outsourcing IT functions. Currently BFSI, telecom, manufacturing, and government segments are driving growth. Education, retail, and healthcare are unexplored areas and are expected to drive additional growth.

Inorganic growth

The current market environment offers opportunities for strategic acquisition of marquee customers, access to new geographies and to build technology/domain capabilities. The acquisitions can be used to fill key gaps in the service portfolio and strategically poise companies for growth.

RISKS

Macro-Economic Risks

During FY 2009-2010, the global economy seemed to recover somewhat. However every now and then, news of trouble in specific markets was witnessed. This has led to an air of caution in the global financial markets leading one to wonder if the recovery can be sustained. Therefore MGL is approaching the next few financial periods with due caution and flexibility in its investment and spend strategies.

There also has also been a rise in protectionist sentiment in many countries. To counter possible protectionist tendencies by other countries, MGL is refining its business model by changing its workforce mix in key markets.

Financial Risks

Currency fluctuations and related risks

The uncertainties in the markets led to some volatility in exchange rates. Volatility of the Indian Rupee has had both positive and negative impact on the IT industry in FY 2009-2010. This trend may continue into FY 2011.

OPERATIONAL RISKS

Business Model Risks

Increased competition could result in pressure on pricing and commoditization of some services. MGL is

addressing the risk of commoditization through its strong focus on becoming an IP-led technology solutions company. It will continue to innovate and develop new IP to enhance its value proposition to customers.

People Risks

Recruitment and retention of people continues to be a risk. The market has picked up and these challenges are on the increase. The movement of people between nations for providing high-end technical and business services skills are governed by procedures and legislation in each country. This may result in delays in procuring visas and work permits. In order to address this risk, MGL has strengthened its efforts to identify and train local recruits in all served markets. MGL is also working closely with its global customers and planning in advance for such resources, to ensure the smooth conduct of business.

Security Risks

In the current environment, security has become a big risk. This includes all aspects of security including physical security, network security, data security, asset protection, and incident management. It is important to implement processes to protect our people, data, and assets and ensure business continuity. MGL has a comprehensive security plan in place that protects its operations from various risks. The plan uses a combination of people, processes, and technology to ensure that appropriate security levels are maintained at all times in line with risk perception. Periodic security audits are conducted to validate the adequacy of the security measures.

M&A Transactions Risk

MGL has an aggressive mergers and acquisitions strategy. It is extremely important to execute well on this strategy and ensure the successful integration of inorganic growth opportunities. MGL has a well-laid out integration plan to monitor and review the transactions and to ensure that the goals and milestones related to transactions are achieved. Furthermore, due to a cautious market sentiment, MGL is keeping its options flexible on any further acquisitions in the near term and will operate from a purely opportunistic outlook.

Internal Control & Adequacy

MGL has put into place a comprehensive set of internal controls that are designed to provide reasonable assurance with regard to the recording and providing of reliable financial and operational information; compliance with applicable statutes; safeguarding of the company's assets and interests; and ensuring that transactions are correctly authorized, recorded, and reported. The effectiveness and risk associated with the internal controls are assessed at periodic intervals and suitable control measures are implemented from time to time. These internal control systems are supplemented by internal audit conducted by an external firm of chartered accountants, reviews by operating management, and oversight provided by the Audit Committee.

Audit Committee

We have established an Audit Committee, details of which are provided in the Corporate Governance section elsewhere in this report. The Audit Committee reviews internal audit reports submitted by internal auditors and also periodically reevaluates the internal control systems for their adequacy and compliance with applicable statutes.

We use an ERP package to manage information flow among our locations and periodically reevaluate the package for efficiency and cost-effectiveness.

Risk Management Committee

We established a Risk Management Committee that is chaired by our CEO. Members include the business heads, CFO, and company secretary. The chairman of the committee apprises the Board at periodic intervals of any risk assessments and mitigation procedures. The company continues to seek the help of external consultants and experts to assess the risk structure of the organization and plans to bring in controls compliant to COBIT and SAS70.

The board audit committee periodically discusses significant business risks identified by management and any related mitigation plans. Industry- and company-specific risks and MGL's mitigation strategy are covered in the Corporate Governance section elsewhere in this report.

Financial Performance

MGL's financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the Companies Act, 1956. The Management Discussion and Analysis of the results is given on the basis of the consolidated operations of Mascon Global Limited and all subsidiary companies. This discussion should be read together with the detailed financial statements and notes to the accounts.

RESULTS FROM OPERATIONS FOR MGL

REVENUE

The Company recorded operating revenue from overseas and domestic operations of Rs.10,209 million for the year ended March 31, 2010. This represents a decrease of 13% over operating revenues of Rs.11,743 million for the year ended March 31, 2009. MGL recorded overseas revenue of Rs.10,143 million in 2010, a reduction of 13% over revenues of Rs.11,614 million in 2009. Likewise, the Company recorded domestic revenues of Rs. 66 million in 2010, a decrease of 49% over 2009 revenues of Rs.129 million.

COST OF REVENUE

The Company recorded cost of revenue of Rs. 8,339 million for the year ended March 31, 2010. Costs of revenues were 82% and 78% of revenues in 2010 and 2009, respectively. The increase in percentage of cost of revenues can be attributed primarily to increased staff costs.

GROSS PROFIT

The Company recorded gross profit of Rs.1,870 million for the year ended March 31, 2010. This represents a decrease of 29% over gross profit of Rs. 2,640 million for the year ended March 31, 2009. The decrease in gross margin from 22% in 2009 to 18% in 2010 is a direct result of increase in cost of revenue as explained in the previous paragraph.

SELLING, GENERAL, & ADMINISTRATION EXPENSES (SGA)

The Company recorded SGA of Rs.1,549 million (excluding an exchange loss of Rs.384 million) for the year ended March 31, 2010. This represents a decrease of 3% over SGA of Rs.1,599 million (excluding an exchange gain of Rs. 252 million) for the year ended March 31, 2009. SGA as a percentage of revenues has increased marginally from 14% to 15%.

PROFIT BEFORE INTEREST, DEPRECIATION, AND TAXES (PBIDT)

The Company recorded PBIDT of Rs. 329 million for the year ended March 31, 2010. This represents a decrease of 69% over PBIDT of Rs.1,064 million for the year ended March 31, 2009. Excluding the impact of exchange differences, PBIDT as a percentage of revenues decreased to 3% in 2010 from 9% in 2009.

INTEREST AND OTHER INCOME

The Company recorded Interest and Other Income of Rs.9 million for the year ended March 31, 2010. This represents a decrease of 61% over Interest and Other Income of Rs. 23 million for the year ended March 31, 2009.

INTEREST AND FINANCE CHARGES

The Company recorded Interest and Finance Charges of Rs. 445 million for the year ended March 31, 2010. This represents an increase of 6% over Interest and Finance Charges of Rs. 419 million for the year ended March 31, 2009.

DEPRECIATION AND AMORTIZATION

The Company recorded Depreciation and Amortization expenditures of Rs. 310 million for the year ended March 31, 2010. This represents an increase of 37% over Depreciation and Amortization expenditures of Rs. 227 million for the year ended March 31, 2009.

PROVISION FOR TAXATION

Income tax expense comprises taxes on income from operations in India and other applicable foreign tax jurisdictions. The Company enjoys certain benefits in India from tax incentive policies. Income and other taxes payable are determined in accordance with the provisions of the Income Tax Act, 1961. Tax expenses related to overseas operations are provided for in accordance with the tax laws of the applicable countries where work is carried out.

For the year ended March 31, 2010, the Company has provided an amount of Rs. 53 million towards current tax (Rs.72 million the previous year). No tax provision was written back for previous years, while an additional provision of Rs.4 million has been made for the previous years. Deferred tax asset was Rs.15 million for the year ended March 31, 2010 as against a deferred tax liability of Rs. 5 million for 2009.

PROFIT AFTER TAX

As a result of consolidated operations carried out during the year, the Company recorded a net loss of Rs.1,229 million for the year ended March 31, 2010 against a post-tax profit of Rs. 598 million for the year ended March 31, 2009

Financial Position of Mascon Global Limited (Consolidated)

SHARE CAPITAL

The share capital of the Company as on March 31, 2010 is given below:

Table 4: MGL share capital 2009 – 2010

	As on March 31, 2010	As on March 31, 2009
Authorized share capital	7,000	7,000
Issued and paid up capital	3,721	3,721

(Rupees in millions)

LOANS

The Company recorded secured loans of Rs. 2,499 million as on March 31, 2010, compared to Rs. 2,956 million as on March 31, 2009. The Company recorded unsecured loans of Rs. 2,310 million as on March 31, 2010, compared to Rs. 2,594 million as on March 31, 2009.

ASSETS

Fixed Assets

The Company recorded additions to gross block (excluding capital work-in-progress and goodwill) of Rs. 10 million for the year ended March 31, 2010, compared to additions of Rs. 62 million for the year ended March 31, 2009.

INVESTMENTS

The Company recorded investments of Rs. 4,605 million as on March 31, 2010, compared to Rs. 4,305 million as on March 31, 2009.

CURRENT ASSETS, LOANS, AND ADVANCES

The Company recorded current assets, loans and advances of Rs. 5,440 million as on March 31, 2010, compared to Rs. 6,594 million as on March 31, 2009. Accounts receivable comprised Rs. 3,814 million on March 31, 2010, representing an increase of 5% over accounts receivable of Rs. 3,626 on March 31, 2009 due longer credit periods offered to certain key clients. The Company recorded total cash and bank balances of Rs. 210 million on March 31, 2010, representing a decrease of 3% over cash and bank balances of Rs. 383 million on March 31, 2009. Loans and advances comprised Rs. 1,416 million on March 31, 2010, representing a decrease of 45% over loans and advances of Rs. 2,586 million on March 31, 2009.

PROVISIONS

The Company recorded provisions for taxation of Rs. 442 million for the year ended March 31, 2010, representing an increase of 157% over provisions due to previous year adjustments for taxation of Rs. 172 million for the year ended March 31, 2009. The Company has created deferred tax asset of Rs. 7 million for the year ended March 31, 2010, representing a decrease of 36% over the deferred tax liability of Rs. 11 million for the year ended March 31, 2009. These taxes are essentially in the US for the wholly owned subsidiaries.

MASCON GLOBAL LIMITED (CONSOLIDATED)

Table 5: Summary of cash flows

(Rupees in million)

Year ended March 31, 2010

Sources of cash

Cash flows from operating activities Profit before tax and exceptional items	(782)
Depreciation and amortization	310
Increase in working capital	939
Increase in miscellaneous expenditure	337
Income tax paid	(49)
Bad & Doubtful advances written off	102
Provision for bad & doubtful debts and advances	339
Others	(2)
Net cash from operating activities	1,194
Investment in fixed assets and Capital work in progress	79
Dividends and interest received	2
Total cash generated	1,275
Utilization of cash	
Investments	300
Loan repayment	742
Interest payments	406
Total cash utilized	1,448
Cash and cash equivalents at the beginning of the year	383
Cash and cash equivalents at the end of the year	210

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be taken to constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied herein.

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

COMPANY PHILOSOPHY

The detailed report on Corporate Governance of Mascon Global Limited (MGL) for the year 2009-2010 in line with clause 49 of the Listing Agreement of the Stock Exchanges with whom the Company's equity shares are listed. The Company firmly believes in adopting and adhering to optimum performance at all levels by adopting and adhering to best corporate practices and is constantly striving to improve them and adherence to business ethics and commitment to corporate social responsibility, as it respects its fiduciary role and responsibility to the shareholders and strives hard to meet their expectations. Our governance practices are a product of self-desire, which are reflected in our strategic thought process. Mascon believes that sound corporate governance is not only necessary to enhance long-term shareholder value but also makes for a sound business strategy. Continuous improvement in systems and procedures will enhance corporate performance and maximize shareholder value in the long term.

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

The Company is compliant with the requirements of the prevailing and applicable corporate governance code, save and except as mentioned in the report below, and is committed to ensure compliance with any new proposals for modifications in tune with the implementation timelines.

A. Board Level Issues

1. Composition of the Board

As of March 31, 2010, the Board of Directors of Mascon Global Limited is comprised of Six Directors. The Board consists of an Executive Chairman who belongs to the Promoters group, one non-executive/ non-independent Director and four other non-executive / independent Directors. The four non-executive/independent Directors have rich experience in corporate management, finance, law and other allied fields. The composition of the Board as of March 31, 2010 is given in Table 1.

2. Board Meetings

During the financial year 2009-10, six Board meetings were held. These took place on May 20, 2009, June 30, 2009, July 31, 2009, August 22, 2009, October 31, 2009 and January 28, 2010. The attendance record of all the Directors at the Board meetings during the year 2009-10 and the last AGM held on September 29, 2009 is given below:

1: COMPOSITION OF MASCON'S BOARD AND ATTENDANCE RECORD

NAME	EXECUTIVE / NON-EXECUTIVE / INDEPENDENT DIRECTOR	NO. OF OTHER DIRECTORSHIPS *	PARTICULARS OF ATTENDANCE BOARD MEETINGS	AGM
Mr. K. Chandra	Executive Chairman & CEO	-	4	Present
Mr. R. Gowri Shanker	Independent, Non-Executive	1	3	Absent
Mr. K. R. Paramesvar	Independent, Non-Executive	3	6	Present
Mr. K. N. Bhat **	Independent, Non-Executive	-	4	Absent
Mr. M. N. Ahmed ***	Independent, Non-Executive	-	6	Absent
Mr. Hari Chandra	Non-Independent, Non-Executive	-	1	Absent

Notes:

- **This includes directorships held in public limited companies and subsidiaries of public limited companies and excludes alternate directorships, directorships in private limited companies and overseas companies.*
- ***Resigned w.e.f May 18, 2010*
- ****Resigned w.e.f May 19, 2010*
- *Mr. M. Srinivasan joined as a whole-time director of the Company w.e.f. October 31, 2009. He resigned from the Board of the Company w.e.f. January 28, 2010. He rejoined the Board as a non-executive director w.e.f December 03, 2010.*
- *Mr. Purohit srinivasan , nominee Director of ICICI Bank Limited, resigned w.e.f July 31, 2009.*

3. Information supplied to the Board

Agenda papers are circulated in advance of each meeting of the Board of Directors. The Company follows the practice of placing before the Board, information as suggested in Annexure-IA of clause 49 of the Listing Agreement.

The required minimum information as per the code of corporate governance is being made available.

4. Remuneration of Directors

Mr. K. Chandra, the Executive Chairman & CEO of the Company, was paid / payable a total remuneration of Rs. 2.04 million for the year under review.

Sitting fees were paid / payable to the Non-Executive Directors as given below in Table 2:

TABLE 2: DIRECTORS' SITTING FEES

NAME OF DIRECTOR	AMOUNT (RS.)
Mr. K. R. Paramesvar	130,000
Mr. Gowri Shanker	30,000
Mr. Hari Chandra	10,000
Mr. K. N. Bhat	90,000
Mr. M.N.Ahmed	130,000

No Commission was paid to any of the Directors for the year ended March 31, 2010.

The Company has not advanced any loans to its Directors during the year ended March 31, 2010.

5. Committees of the Board

a) Audit Committee

Mascon has an Audit Committee consisting of the following Three Independent/Non-Executive Directors as on March 31, 2010.

- Mr. K. R. Paramesvar (Chairman)
- Mr. K. N. Bhat
- Mr. M. N. Ahmed

Mr. K.N.Bhat and Mr. M.N.Ahmed resigned from the Committee on May 18, 2010 and May 19, 2010, respectively

The Committee has been reconstituted on December 03, 2010 to include Mr. Hari Chandra, Non-Independent and Non-Executive Director and Mr. Hendrikus Adrianus Alfonsus, Independent and Non-Executive Director into the Committee.

The Company Secretary is the Secretary of the Committee.

The Quorum of the Meeting is 2 Members.

The Audit Committee had Seven meetings during the year under review, on May 20, 2009, June 30, 2009, July 16, 2009, July 31, 2009, August 22, 2009, October 31, 2009 and January 27, 2010.

Table 3 gives the attendance record of the Audit Committee:

TABLE 3: AUDIT COMMITTEE ATTENDANCE DURING 2009-10

COMMITTEE MEMBERS	NO. OF MEETINGS	
	HELD	ATTENDED
Mr. K. R. Paramesvar (Chairman)	7	7
Mr. K. N. Bhat	7	5
Mr. M.N.Ahmed	7	7

The Audit Committee has been constituted as per section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges.

The Audit committee, inter-alia, provides assurance to the Board of the existence and adequacy of an effective control system that ensures:

- *Efficiency and effectiveness of operations;*
- *Safeguarding of Assets and adequacy of provisions for all liabilities;*
- *Reliability of all financial and other Management information and adequacy of disclosures; and*
- *Compliance with all relevant statutes.*

Primary Objectives and Powers of the Audit Committee:

- *To investigate any activity within its terms of reference;*
- *To seek information from any employee;*
- *To obtain outside professional legal advice; and*
- *To secure attendance of outsiders with relevant expertise, if considered necessary.*

The Broad Terms of Reference of the Audit Committee include the following:

- *To effectively supervise management's financial reporting procedures to ensure accurate, timely and proper disclosures of the financial position of the Company;*
- *To review with Statutory Auditors, Internal Auditors and Concurrent Auditors the adequacy of the Company's internal control systems;*
- *To review the Company's financial and risk management policies;*
- *To review the quarterly, bi-annual and annual financial results of the company before submission to the Board, focusing primarily on:*
- *Any changes in accounting policies and practices;*
- *Major accounting entries based on exercise of judgment by management;*

- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with stock exchange and legal requirements concerning financial statements;
- Any related party transactions as per Accounting Standard 18; and
- To review reports of the Statutory, Internal Auditors and Concurrent Auditors and meet them to discuss their findings, suggestions and other related matters.
- To recommend the appointment and change of Statutory and Internal Auditors, if considered necessary, and to review the remuneration payable to them;
- To review the adequacy of the internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the officials heading the department, reporting structure, coverage and frequency of internal audit;
- To report periodically to the Board on significant findings arising out of the above matters.

b) Share Transfer and Allotment Committee / Investors Grievance Committee

The Share Transfer and Allotment Committee consists of Mr. K. R. Paramesvar, (Chairman) and Mr. M. N Ahmed (Resigned w.e.f May 19, 2010) The Committee had two meetings during the year under review on May 20, 2009 and October 31, 2009.

The Committee was reconstituted on December 03, 2010 to include Mr. Hari Chandra, Non- Independent and Non- Executive Director and Mr. R. Gowri Shanker, Independent Director into the Committee.

Mr. S. Sivakumar, Sr.Vice President /Company Secretary, is the compliance officer.

The committee deals with matters relating to transfers /transmissions of shares and other related matters. It also monitors redressal of complaints from shareholders relating to transfers, non-receipt of annual reports, non-receipt of dividends declared etc.

Table 4 gives the details of shareholders' complaints received and redressed during the year under review:

TABLE 4: REDRESSES OF COMPLAINTS

	Number of Complaints	
	Non-receipt of Annual Report	Others
Complaints solved	3	0
Complaints unsolved	1	1
Total	4	1

c) Compensation Committee

The Compensation Committee comprises of the following 3 Members as on March 31, 2010:

- Mr. K. R. Paramesvar
- Mr. K. N. Bhat (Resigned w.e.f May 18, 2010)
- Mr. M. N. Ahmed (Resigned w.e.f May 19, 2010)

The Committee had one meeting in the year under review on October 30, 2009.

The Compensation Committee reviews salaries and benefits including stock option grants for employees, directors etc. and decides or makes recommendations to the Board on remuneration packages. It also administers the compensation plans.

The Committee has been reconstituted on December 03, 2010 to include Mr. Hari Chandra, Non-Independent and Non-Executive Director and Mr. Hendrikus Adrianus Alfonsus, Independent and Non-Executive Director into the Committee.

d) Other Committees

Investment Committee

The Investment Committee consists of Mr. K. Chandra, Mr. K. N. Bhat (Resigned w.e.f May 18, 2010) and Mr. M. N. Ahmed (Resigned w.e.f May 19, 2010). The Committee identifies acquisition opportunities in India and abroad as a part of the Management's growth strategy. The committee has been re-constituted on December 03, 2010, to include Mr. Hari Chandra, and Mr. Hendrikus Adrianus Alfonsus in to the Committee together with Mr. K.Chandra. The Investment Committee had no meetings during the year under review.

GDR / FCCB Committee

The GDR/FCCB Committee consists of Mr. K. Chandra, Mr. K. N. Bhat (Resigned w.e.f May 18, 2010) and Mr. M. N. Ahmed (Resigned w.e.f May 19, 2010). The Committee has been reconstituted on December 03, 2010 to include Mr. Hari Chandra, Non-Independent and Non-Executive Director and Mr. Hendrikus Adrianus Alfonsus, Independent and Non- Executive Director into the Committee. The Committee oversees and carries out formalities in connection with the GDR Issues proposed to be made by the Company. The GDR/FCCB Committee had no meetings during the year under review.

Preferential Issue Committee

The Preferential Issue Committee consists of Mr. K. Chandra, Chairman, Mr. K. N. Bhat (Resigned w.e.f May 18, 2010) and Mr. M.N. Ahmed (Resigned w.e.f May 19, 2010) . The Committee has been reconstituted on December 03, 2010 to include Mr. Hari

Chandra, Non- Independent and Non- Executive Director and Mr. Hendrikus Adrianus Alfonsus, Independent and Non- Executive Director into the Committee. The Committee reviews the profile of potential investors, their quantum of subscription, terms of issue including pricing etc. in respect of the issue of Securities by the Company on Preferential basis. The Preferential issue committee had no meetings during the year under review.

Risk Management Committee

The Company has formed a Risk Management Committee Chaired by the Chief Executive, with members including the business heads, Chief Financial Officer and Company Secretary. The Chairman of the Committee will apprise the Board of risk assessment and mitigation procedures at periodic intervals.

Code of Conduct

The Board has laid down a "Code of Conduct" for all Board members and senior management of the Company. The code is posted on the website of the Company <http://www.mgl.com>. A declaration to this effect signed by the CEO is forming part of the report.

Risk Management

The Company has laid down procedures to inform the Board about risk assessment and minimization procedures. The Board /Audit committee periodically discusses the significant business risks identified by the Management and the mitigation plan from time to time.

Compliance

The Board periodically reviews compliance reports relating to all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

Secretarial Standards relating to Board Meetings

The Institute of Company Secretaries of India (ICSI) has laid down Standards on secretarial practices relating to meetings of the Board and Board Committees, General Meetings etc. Though these Standards are so far only recommendatory, the secretarial and operating practices of the Company are in line with the above Secretarial Standards to the extent they are in line with the listing agreement and Companies Act as of date.

Subsidiary Companies

The Company does not have any material unlisted Indian subsidiary Company. The Audit Committee reviews the financial statements of the Company's unlisted overseas subsidiaries. The minutes of the subsidiaries are periodically placed before and reviewed by the Board of Directors of the Company.

CEO Certification

As per clause 49 of the Listing Agreement Mr. K. Chandra, CEO has given a certificate to the Board on the financial statements for the financial year ended March 31, 2010.

Company Identification Number (CIN)

After the successful implementation of MCA-21, an ambitious project of e-filing initiated by the Ministry of Corporate Affairs (MCA), Government of India, all the forms, returns, balance sheets, charges & all other documents, papers etc. filed by the Company with the Registrar of Companies are available for inspection on the official website of MCA – www.mca.gov.in, under the Company Identification Number (CIN): L45202TN1991PLC046402.

B. MANAGEMENT

1. Management discussion and analysis

This is given as a separate chapter forming part of this Annual Report.

C. INFORMATION TO SHAREHOLDERS

1. Disclosures about Directors seeking appointment/reappointment

According to the Articles of Association of the Company, one-third of the directors retires by rotation and, if eligible, they may offer themselves for re-appointment at the Annual General Meeting. Mr. K.R.Paramesvar retire by rotation in the ensuing Annual General Meeting and, being eligible, have offered himself for re-appointment.

Mr. M. Srinivasan joined the Board as a Whole-time director of the Company w. e. f. October 31, 2009 and resigned w.e.f January 28, 2010. He rejoined the Board as a non-executive director w.e.f December 03, 2010. Mr. M.Srinivasan was appointed as an Additional Director of the Company with effect from December 03, 2010, pursuant to the provisions of Article 80 of the Articles of Association of the Company and as per Section 260 of the Companies Act, 1956 (the Act). According to the provisions of the Act, the tenure of his office is until the date of the ensuing Annual General Meeting.

Mr. Hendrikus Adrianus Alfonsus was appointed as an Additional Director of the Company with effect from December 03 2010, pursuant to the provisions of Article 80 of the Articles of Association of the Company and as per Section 260 of the Companies Act, 1956 (the Act). According to the provisions of the Act, the tenure of his office is until the date of the ensuing Annual General Meeting.

Brief resume of the above Directors and their relevant details are given below:

Details of Directors seeking reappointment

K. R. Paramesvar was one of the Managing Partners of the Company and joined the Board in May 1998. He resigned as Managing Partner before joining the Audit Committee as Chairman in August 2002. Paramesvar is an electrical engineer and has a diverse industrial background spanning over 40 years. He began his career in 1955 with the Planning Commission of the Government of India. He was assigned to the newly formed Bharat Heavy Electricals Ltd ("BHEL") and was trained in the USSR and the US in various aspects of industrial management. After his assignment with BHEL, he moved back to the Planning Commission and later headed the Indian Standards Institution (subsequently renamed the Bureau of Indian Standards), which sets product / quality standards and systems for a wide variety of industries.

Disclosure about appointment of Director

Mr. M. Srinivasan joined the Board as a whole-time director of the Company w. e. f . October 31, 2009 and resigned w.e.f January 28, 2010. He is not in the employment of the company with effect from December 1, 2010. He has been invited to rejoin the Board as a non-executive director w.e.f December 03, 2010.

Mr. M.Srinivasan, an Engineering Graduate from Regional Engineering college Trichy, India, has more than 38 years of experience with leading Indian public sector companies and held various positions in the Company in the last 28 years and contributed for its significant growth .

Mr. Hendrikus Adrianus Alfonsus joined the Board as Additional Director on December 03, 2010. Mr. Alfonsus is a professional consultant, based in New York City. He is presently involved in business development of exciting products like UltraCloud™, a cloud based parallelization technology that shortens the processing time of large and complex algorithms up to 200 times.

Prior to this, Mr. Alfonsus was Senior Consultant with the Waste and Energy Company of Amsterdam and incharge of sales & marketing in the US. Harry was President & CEO of the US operations of Deutsche Babcock, based in Tampa Florida, following assignments in the early 90's as Managing Director of their Indian operations headquartered in Bangalore, India and as Vice President, International Operations, based in Ratingen, Germany. Activities for ABB in India included projects for a number of customers including LAB in Patalganga, and the Hazira Complex, both for Reliance Industries.

Mr. Alfonsus has spent more than 20 years in senior management positions, associating with varied industries across the globe. Mr. Alfonsus studied chemical engineering at Delft University in The Netherlands and attended NYU's graduate business school.

2. Means of communication

The quarterly, bi-annual and annual results are generally published in Financial Express and Malaimurasu (a local newspaper in Chennai). These are also submitted to the Stock Exchanges in accordance with the Listing Agreement. The Company regularly posts these results on its website <http://www.mgl.com>. The annual report is sent to the individual shareholders.

Pursuant to Clause 51 of the Listing Agreement, all data related to quarterly financial results, shareholding pattern etc., are posted on the Electronic Data Information Filing and Retrieval (EDIFAR) web-site (<http://www.sebiedifar.nic.in>) maintained by SEBI in association with the National Informatics Centre, within the timeframe prescribed in this regard.

3. Annual General Meetings

Details of the Annual General Meetings held during the past 3 years are given below:

Details of the last three AGMs

Financial Year Ended	Date	Time	Venue
Mar 31, 2007	22.09.2007	10.45 a.m.	The Residency Towers, Chennai
Mar 31, 2008	28.08.2008	10.30 a.m	The Residency Towers, Chennai
Mar 31, 2009	29.09.2009	10.45 a.m	The Residency Towers, Chennai

- Three Special resolutions were passed in the last Annual General Meeting held on September 29, 2009. These were for reappointment of Executive Chairman & CEO, Inter- Corporate Investments u/s 372A (1) and for Issue of securities by way of GDR/ADR/FCCB

- Three Special resolutions were passed in the last Annual General Meeting held on August 28, 2008. These were for Investments u/s 372A(1), for amendment to the Articles of Association of the Company for increasing the authorized equity capital of the Company and for issue of securities.

- Seven Special resolutions were passed in the last Annual General Meeting held on September 22, 2007. These were for Investments u/s 372A(1), for alteration of Memorandum and Articles of Association of the Company, for grant of Employee Stock Options under ESOS-

2007 to employees, for grant of Employee Stock Options under ESOS-2007 to employees of Subsidiary Companies, for grant of Options under ESOS-2007 to Non-Executive Directors, for increase of remuneration of Executive Chairman and for issue of securities.

- No Postal Ballot was conducted during the year.

4. Others

The Company has received an order from SEBI releasing the Company from the investigation by Regulatory Authorities regarding the transactions relating to transfer of the company's shares held on a repatriable basis by one of the promoters during January 2010.

There was no instance of any non-compliance by the Company or of penalties or strictures being imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from April 1, 2009 to March 31, 2010.

There are no materially significant related party transactions of the Company which have potential conflicts with the interest of the Company. The details of transactions with related parties are disclosed in Note No. 22 of schedule 17 to the standalone financials of the Company. No person has been denied access to the Audit committee.

NON-MANDATORY REQUIREMENTS

The Company has complied with the following non-mandatory requirements as prescribed in Annexure I D to clause 49 of the Listing Agreement with the Stock Exchanges:

(a) The Company has set up a Compensation Committee. Please see paragraph 5(c) on Compensation Committee for details.

(b) The quarterly, bi-annual and annual results of the company are published in newspapers and are also posted on its website. Significant events are also posted on the website under the 'News Updates' section. The annual report is sent to each and every shareholder.

Additional Shareholder information

19th Annual General Meeting

Date: December 28, 2010

Time: 11.15 a.m.

Venue: "Senator", The Residency Towers, Sir Thyagaraya Road, T. Nagar, Chennai – 600 017

Dates of book closure: December 24, 2010 to December 28, 2010 (both days inclusive).

Date of dividend payment: Not applicable for the financial year 2009-10.

Financial calendar of the Company: The Financial Year covers the period from 1st April to 31st March.

Financial Reporting for

Quarter ending June 30, 2010- December 31, 2010

Quarter ending September 30, 2010- December 31, 2010

Quarter ending December 31, 2010- last week of January 2011

Quarter ending March 31, 2011- May 15, 2011

Note: The above dates are indicative and subject to change

Registered office

The Registered Office of the Company is situated at the following address:

New Address

2nd Floor, RR Towers IV, T.V.K. Industrial Estate, Guindy, Chennai – 600 032

(Note: The Registered office of the Company was functioning from New No.38. Old No.159, First Floor, Srirama Building, Grems Road, Chennai- 600 006. The Board in their meeting held on December 03, 2010, approved the change of the same to the new Address with effect from December 09, 2010).

Listing of Equity Shares on Stock Exchanges

The Company's shares are listed on the Stock Exchanges at Chennai and Mumbai. The Global Depository Receipts (GDRs) of the Company are listed on the Luxembourg Stock Exchange.

The requisite listing fees have been paid in full to all the above Stock Exchanges.

Stock code

Name of the Exchange

Code

Bombay Stock Exchange Ltd.

531131

Madras Stock Exchange Ltd.

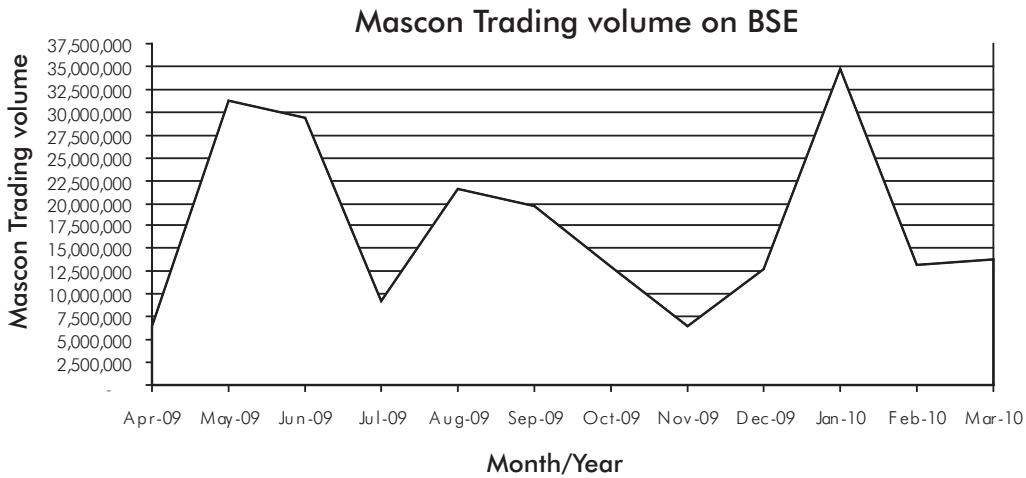
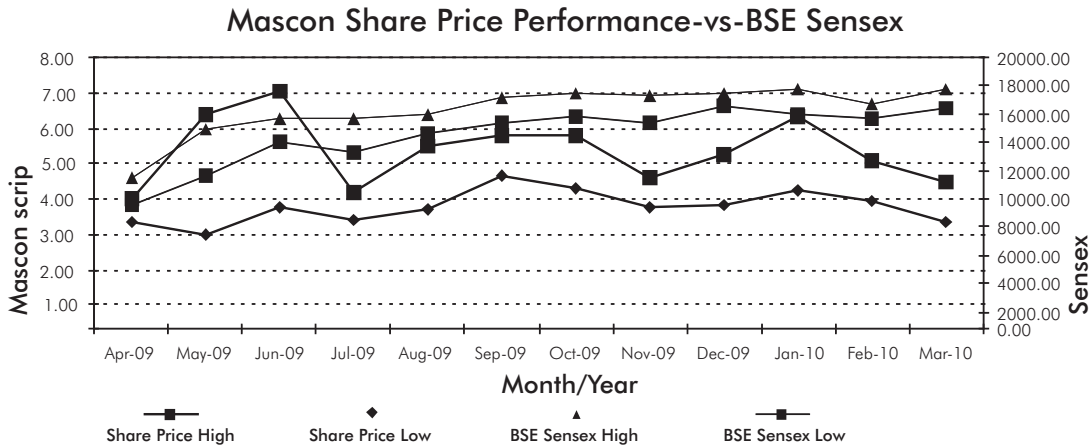
MASCONGLOB

Luxembourg Stock Exchange

574644100

STOCK PERFORMANCE

The performance of the Company’s shares relative to the BSE Sensitive Index is shown in the chart below:



STOCK PRICE DATA

Month, Year	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Volume (No.)
Apr 09	4.00	3.35	6,595,760
May 09	6.41	3.00	31,257,278
Jun 09	7.06	3.78	29,351,359
Jul 09	4.20	3.42	9,238,429
Aug 09	5.51	3.68	21,530,079
Sep 09	5.78	4.68	19,684,040
Oct 09	5.82	4.30	13,018,505
Nov 09	4.57	3.75	6,477,786
Dec 09	5.23	3.80	12,831,580
Jan 10	6.35	4.22	34,696,996
Feb 10	5.10	3.95	13,117,617
Mar 10	4.50	3.35	13,794,089

Source: bseindia.com

REGISTRAR AND SHARE TRANSFER AGENTS

Kary Computershare Private Limited
 46, Avenue 4, Street No. 1,
 Banjara Hills, Hyderabad – 500 034
 Tel: +91-40-234 20 815 – 24
 Fax: +91-40-234 20 814
 E-mail: vkjsec@kary.com

GDR Depository & Custodian

The Depository for the GDRs of the Company is Deutsche Bank Trust Company Americas.

Deutsche Bank Trust Company Americas

60 Wall Street

25th Floor

New York

NY – 10005

USA

The Custodian for the GDRs of the Company in India is Deutsche Bank AG, Mumbai.

Deutsche Bank AG, Mumbai

DB House, 2nd Floor

Hazarimal Somani Marg, Fort

Mumbai – 400 001

India

Share Transfer System

As per the directives of Securities and Exchanges Board of India (SEBI), the settlement of the Company's shares should be compulsorily under rolling settlement w.e.f. May 8, 2001.

Share transfers in physical form are registered and returned between 15 to 30 days from the date of receipt, if the documents are in order in all respects.

The Share Transfer and Allotment Committee meets as and when required to approve the transfer of shares.

In Compliance with the Listing/SEBI Guidelines:

- A Practicing Company Secretary carries out Secretarial Audit on "Dematerialized Equity shares and Equity shares in Physical form" every quarter and the necessary reports are taken on record by the Board and also filed with the Stock Exchanges. The equity shares in Dematerialized form and physical form tally with the issued/paid-up and listed capital of the Company.
- A Practicing Company Secretary carries out a Due Diligence survey, pertaining to share transfers every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges.
- Shareholding pattern and financial results are being uploaded in "Electronic Data Information Filing and Retrieval" (EDIFAR) quarterly and Annual Report annually.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010

RANGE (NO. OF SHARES)	NO. OF SHAREHOLDERS	% TO TOTAL	TOTAL SHARES IN THE CATEGORY	% TO TOTAL
upto 5000	19,873	95.74	13,640,757	3.67
5001-10000	407	1.96	3,160,593	0.85
10001-50000	333	1.60	7,384,594	1.98
50001-100000	58	0.28	4,073,384	1.09
100001-500000	58	0.28	13,889,591	3.73
500001-1000000	11	0.05	8,075,461	2.17
1000001 & above	17	0.08	321,902,665	86.50
	20,757	100.00	372,127,045	100.00

PATTERN OF SHAREHOLDING

CATEGORIES OF SHAREHOLDERS	MARCH 31, 2010 NO. OF SHARES HELD	MARCH 31, 2009 % OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
A. PROMOTERS				
Foreign Promoters	23,491,231	6.31	24,491,231	6.58
B. NON- PROMOTERS				
Institutional Investors				
1. Banks/Financial Institutions	11,118,397	2.99	11,118,397	2.99
2.FIIs	14,215,616	3.82	18,432,752	4.95
C. OTHERS				
1. Private corporate Bodies	33,516,493	9.01	26,608,107	7.15
2. Indian Public	73,951,644	19.87	35,360,246	9.50
3. NRIs/OCBs	42,246,307	11.35	40,512,640	10.89
4. Directors & their relatives	2,851,753	0.77	2,937,620	0.79
5. GDRs - underlying shares	170,735,604	45.88	212,666,052	57.15
GRAND TOTAL (A+B+C)	372,127,045	100.00	372,127,045	100.00

*Non-Executive Directors of the Company hold 2,810,553 shares.

Dematerialization of Shares

As on March 31,2010, 369,066,406 no. of shares (99 % of listed equity shares) have been dematerialized.

NAME OF THE DEPOSITORIES	ADDRESS OF THE DEPOSITORIES	INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)
Central Depository Services Limited	Phiroze Jeejeebhoy Towers 28th floor, Dalal Street Mumbai – 400 001 Tel: +91-22 272 3333 Fax: +91 22 272 3199	INE 896A01013
National Securities Depository Limited	Trade World, 4th Floor Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91-22 497 2964 – 70 Fax: +91-22 497 2993 / 497 6351	

Information on change of address, bank details, nomination etc.

Shareholders holding shares in physical form are requested to notify the Registrar, Karvy Computershare Private Ltd., of changes in their address and Bank Account details promptly by written request under the signature of sole/ first holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc., directly to their DP as the same are maintained by the DPs.

Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity
42,683,901 GDRs representing 170,735,604 underlying equity shares of the Company are outstanding as on March 31, 2010.
 The Company has issued Foreign Currency Convertible Bonds (FCCBs) in the year 2007 and the same are issued for a period of five years maturing by December 2012 for \$ 50 million.

ADDRESS OF MASCON OFFICES FOR CORRESPONDENCE INDIA

INFORMATION TECHNOLOGY DIVISION

2nd Floor, RR Towers, T.V.K. Industrial Estate, Guindy, Chennai – 600 032
 Tel: +91-44 4391 3400 | Fax: +91-44 4353 4991

COMMUNICATION TECHNOLOGY DIVISION

59/2, Kadirenhalli,
Banashankari II Stage, Bangalore – 560 070
Tel: +91-80 6660 1500
Fax: +91-80 2679 6231

“Brindavan Building”

New No. 40 (Old No.158),
Greams Road,
Chennai – 600 006
Tel: +91-44 2829 1809 / 2829 1811

CORPORATE OFFICE

II Floor, 758,
Udyog Vihar, Phase 5,
Gurgaon– 122016,
Haryana
Tel: + 91-124 450 5200
Fax: +91 –124 400 6339

REGISTERED OFFICE(NEW ADDRESS)

2nd Floor,
RR Towers IV,
T.V.K. Industrial Estate,
Guindy,
Chennai – 600 032
Tel: +91-44 4391 3403
Fax: +91-44 2250 2795

LIFE SCIENCE DIVISION

Sanskriti Overseas,
758, Udyog Vihar,
Phase – V,
Gurgaon – 122016,
Haryana
Tel: +91-124 400 6340
Fax: +91-124 400 6339

OVERSEAS

Branch Office
1 699 E
Woodfield Road,
Suite 200,
Schaumburg,
IL – 60173
USA
Tel: +1-847 619-5005
Fax: +1-847 969-9097

1249 South River Road.
Suite 102,
Cranbury, NJ 08512
Tel: 609-395-8394
Fax: 609-860-6413

INVESTOR CORRESPONDENCE

Investor correspondence for transfer / dematerialization of shares and any other query relating to the shares of the Company.

HYDERABAD OFFICE

Mr. V. K. Jayaraman
Karvy Computershare Private Limited
Unit: Mascon Global Limited
46, Avenue 4,
Street No.: 1,
Banjara Hills,
Hyderabad – 500 034
Tel: +91-40-234 20 815 – 24
Fax: +91-40-234 20 814
E-mail: jayaramanvk@karvy.com

CHENNAI OFFICE

Mr. N.V.V. Prasad
Karvy Computershare Private Limited
Unit: Mascon Global Limited,
G – 1 Swathi Court,
22, Vijayaraghava Road,
T. Nagar,
Chennai – 600 017
Tel: +91-40-2815 3445
Fax: +91-40-2815 3181
E-mail: nvvprasad@karvy.com

ANY QUERY ON ANNUAL REPORT

Mr. S. Sivakumar
Sr. Vice President & Company Secretary
Mascon Global Limited
2nd Floor, RR Towers IV,
T.V.K. Industrial Estate,
Guindy, Chennai – 600 032
Tel: +91-44 4391 3403
Fax: +91-44 2250 2795
E-mail: s.sivakumar@mgl.com

EXCLUSIVE E-MAIL ID FOR REDRESSAL OF

Investor complaints: In terms of Clause 47 (f) of the Listing Agreement, please use the E-mail id: investor.relations@mgl.com for redressal of investor complaints. Company website: www.mgl.com

DECLARATION TO THE MEMBERS PURSUANT TO CLAUSE 49(1)(D)(ii) OF THE LISTING AGREEMENT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year ended 31st March 2010.

Place: Chennai
Date: December 04, 2010

For Mascon Global Limited

K. Chandra
Chairman

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

To The Members of Mascon Global Limited

We have examined the compliance of conditions of Corporate Governance by MASCON GLOBAL LIMITED for the accounting year ended on 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

Publishing of the annual financial results duly reviewed by their Board, in accordance with clause 41 (I)(d) of listing agreement with Bombay stock exchange is pending. Subject that, We certify that the Company has **in general** complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We state that no other investor grievance against the Company is pending save otherwise reported by the Company, for the period exceeding one month as per the records maintained by the Company.

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

For M/s. G. BALU ASSOCIATES
Firm Regn.No.000376S
CHARTERED ACCOUNTANTS

Place: Chennai
Date: 3th December, 2010

G. Balasubramanyan
Partner
Membership No. 7628.

Director's Report

Dear Members,

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Consolidated and Standalone Accounts of your Company for the year ended March 31, 2010.

FINANCIAL RESULTS

The following tables give the consolidated and standalone financial performance of the Company for the year 2009-2010 as compared to the previous financial year.

CONSOLIDATED

Rs. in thousands

Year ended March 31	2010	2009
Revenues	10,208,785	11,743,390
Cost of revenue	8,338,707	9,102,908
Gross margin	1,870,078	2,640,482
Other income	8,534	22,553
Selling, general and administration expenses	1,549,121	1,598,610
Operating profit (PBIDT)	329,491	1,064,425
Interest & finance charges	445,431	418,941
Exchange Loss/(Gain)	384,068	(252,257)
Depreciation & amortization	309,729	227,257
Profit before prior year adjustment and tax	(809,737)	670,484
Prior year adjustments	376,736	-
Provision for tax		
- Current year	53,212	76,733
- Previous year	4,293	-
- Deferred tax	(14,983)	(4,551)
Profit after tax	(1,228,995)	598,302

STANDALONE

Rs. in thousands

Year ended March 31	2010	2009
Revenues	3,553,277	3,750,090
Cost of revenue	2,780,535	2,850,489
Gross margin	772,742	899,601
Other income	2,775	15,176
Selling, general and administration expenses	793,986	601,549
Operating profit (PBIDT)	(18,469)	313,228
Interest & finance charges	358,082	257,768
Exchange Loss/(Gain)	384,068	(254,924)
Depreciation & amortization	54,636	29,633
Profit before prior year adjustment and tax	(815,255)	280,751
Prior year adjustments	(18,852)	-
Provision for tax		
- Current year	8500	36,607
- Previous year	-	-
- Deferred tax	(14,984)	(4,551)
Profit after tax	(789,919)	248,695

YEAR IN RETROSPECT

a. Consolidated

Total Revenues during 2009-2010 at Rs. 10,209 million registered an decrease of 13 % over the previous year revenue of Rs. 11,743 million mainly on account slow down in the US. The gross margin during the year was Rs. 1,870 million (18 % of Revenue) as compared to Rs. 2,640 million (22 % of Revenue) in the previous year. The operating profit during the year decreased to Rs. 329 million as compared to Rs. 1,064 million during the previous year. The loss for the year was Rs. 1,229 million against a net profit of Rs. 598 million during the previous year.

b. Standalone

Total Revenue during 2009-2010 at Rs. 3,553 million registered a decrease of 5% over the previous year revenue of Rs. 3,750 million, mainly on account slow down in the US resulting in marginal reduction of business to India. The gross margin during the year decreased to Rs. 773 million (22 % of Revenue) as compared to Rs. 900 million (24 % of Revenue) in the previous year. The operating deficit during the year was Rs. 18.5 million as compared to a profit Rs. 313 million during the previous year. The loss for the year amounted to Rs. 790 million as against a net profit of Rs. 249 million during the previous year.

Dividend

The Board has not recommended any dividend for the year 2009-2010 .

Share Capital

No fresh capital has been raised during the financial year 2009-2010

Acquisitions

The Company has not made any new acquisition during the financial year 2009-2010

Human Resource Development

This is year has been extremely challenging for the organization from an HR perspective. In the context of a rather tough year on the business and operations front and on the backdrop of a resurgent IT Industry has meant that the Company has faced challenging times both in retention and attraction of talent. Tactically the HR Function refocused its approach on getting managers and themselves to work closer with the workforce to be able to respond to them and to disseminate information quicker as well as to establish better emotional connect.

The total number of employees as on March 31, 2010 was 3,346. The attrition increased to 22%, however this remains comparable to the current industry benchmarks. MGL envisages major growth from new business areas such as Healthcare & Life Sciences, Banking, Financial Services, Communications, Infrastructure Management, Cloud Computing etc. The requirement of skills for these segments continues to be significantly different than that of the conventional IT services due to strong domain focus. Continued efforts are being made to identify suitable resources for these areas as well as to retool the existing workforce.

The HR function is presently implementing robust long term plans focused on enhancement of the employer brand both internally and in the external market place. In view of the deep domain and technology skill sets that the business model of the Company requires, negotiations on tie-ups with well known institutions imparting technology education are at an advanced stage with a view to establishing suitable labs. This will not only harness innovation within partner educational institutions benefitting everyone involved but set up an assured well trained supply of workforce for the future.

Quality Initiatives

At MGL, commitment to continuous improvement of quality practices and building robust information security practices are an integral part of our business operation. MGL has achieved a number of significant milestones in its journey towards operational excellence.

- *Gurgaon Development Center is certified to ISO 9001:2008*
- *Chennai Development Center is SEI-PCMM level 3 assessed*
- *Chennai Development Center is SEI-CMMI level 5 assessed*
- *Chennai & Bangalore Development Centers are certified to ISO 27001:2005*
- *Chennai & Bangalore Development Centers are certified to ISO 14001:2004*
- *Bangalore Development center is certified to TL9000*

The above certifications are testimony to MGL's unstint commitment to achieving the highest standards of quality and expertise that the company brings to its clients globally. The corner stone of these certifications is the in-house developed Mascon Quality System (MQS) – an agile, process driven, people oriented and customer focused quality management system which is continuously evolving to cater to the requirements of the company's varied business offerings.

Certification and Partnerships

During the year, MGL signed partnership agreements with:

- a. SAS Institute in US (www.sas.com) for offering services in Business Intelligence/ Datawarehousing services
- b. SAP to become their All-in-One partner for the Plastics Industry
- c. Linuxworks to provide solutions and services to the Medical Industry
- d. HP Vignette and BEA through its subsidiary and associate companies

Subsidiaries

Your Company has six direct subsidiaries as on March 31, 2010, viz. **MGL Americas Inc., USA, Mascon Global (Europe) Ltd., UK, Versatech Consulting Inc., USA, Ebusinessware Inc., USA, Jass & Associates Inc., USA, and Mascon International Limited, Mauritius.**

MGL Americas Inc. has its own subsidiaries, details of which are given in the statement pursuant to the provisions of Sec.212 of the Companies Act, 1956. All the direct and step-down subsidiaries are engaged in software related business only.

Ebusinessware Inc., has its own subsidiaries, details are given in the statement pursuant to the provisions of sec.212 of the companies Act, 1956. All the direct and step-down subsidiaries are engaged in software related business only.

MGL Americas Inc., USA

MGL Americas Inc., USA, a 100 % subsidiary of the Company achieved total revenue of Rs 3369 million and EBITDA of Rs. 252 million. The above results also include the performance of Mascon Global Information, S.DE.R.L.DE.C.V. (Mexico), step-down subsidiary of the Company. Mascon Global GmbH., Germany another step down subsidiary of the Company did not have any operations during the year and steps are being taken for its revival.

Versatech Consulting Inc., USA

Versatech Consulting Inc., USA, a 100 % subsidiary of the Company achieved total revenue of Rs. 944 million and EBITDA of Rs. 4.5 million

Ebusinessware Inc., USA

Ebusinessware Inc., USA, a 100 % subsidiary of the Company achieved total revenue of Rs 1,306 million and EBITDA of Rs. 80 million. The above results include the performance of Ebusinessware Singapore Pte Limited, Singapore and Ebusinessware (India) Private Limited, India.

Jass and Associates Inc USA

Jass and Associates Inc, USA, a 100% subsidiary of the Company achieved total revenue of Rs. 2,318 million and EBITDA of Rs. 21 million.

Mascon Global (Europe) Limited., UK

Mascon Global (Europe) Limited, UK, a 100 % subsidiary of the Company achieved total revenue of Rs. 39 million and EBITDA of Rs. 9 million.

Mascon International Limited, Mauritius

Mascon International Limited, Mauritius, a 100 % subsidiary of the Company is a Special Purpose Vehicle (SPV) for making investments and it is not engaged in any operations during the year.

Reporting on the Subsidiaries

As per Sec. 212 of the Companies Act, 1956, your Company is required to attach the Directors Report, Balance Sheet and profit & Loss Account of these subsidiaries. However, the Ministry of Corporate Affairs (MCA) has given its approval for exemption from such attachment to the Company, as it presents the audited consolidated accounts of the Company and its subsidiaries in the Annual Report. A brief summary of these subsidiaries is given in the Annual Report. The annual accounts of these subsidiary companies along with related information are available for inspection during business hours at the registered office of the Company.

Corporate Governance and Management Discussion and Analysis

As required under clause 49 of the Listing Agreement, reports on Corporate Governance along with Auditors' certificate and Management Discussion and Analysis are attached as a part of the annual report.

Mr. K.Chandra, Chief Executive Officer and also responsible for the over all finance function has given a certificate to the Board as per the provisions of clause 49 of the Listing Agreement.

DIRECTORS

Appointment

Mr. M. Srinivasan joined the Board as a Whole-time director of the Company w. e. f . October 31, 2009 and resigned w.e.f January 28, 2010. Mr. M.Srinivasan is not in the employment of the Company with effect from December 1,2010. He has been invited to rejoin the Board as a non-executive director w.e.f December 03, 2010. Accordingly, Mr. M. Srinivasan was appointed as an Additional Director of the Company in the Board Meeting held on December 03, 2010 to hold the office till the conclusion of the ensuing Annual General Meeting. The Company has received requisite notices under section 257 of the Companies Act, 1956, proposing the appointment of Mr. M.Srinivasan as director liable to retire by rotation.

Mr. Hendrikus Adrianus Alfonsus was appointed as additional director of the Company with effect from December 03, 2010 to hold the office till the conclusion of the ensuing Annual General Meeting. The Company has received requisite notices under section 257 of the Companies Act, 1956, proposing the appointment of Mr. Hendrikus Adrianus Alfonsus as director liable to retire by rotation.

Reappointment

Mr.K.R. Paramesvar, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors has also recommended their reappointment for consideration of the Shareholders.

Resignation

Mr. Purohit Srinivasan , Nominee Director of ICICI Bank Limited resigned w.e.f July 31, 2009. Mr. K. N. Bhat, Director has resigned with effect from May 18, 2010. Mr. M.N.Ahmed, Director of the Company resigned with effect from May 19, 2010. The Board places on record its appreciation for the valuable contribution made by them during their tenure as directors of the Company.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that, to the best of their knowledge and belief;

(i) in the preparation of the Annual Accounts for the Financial Year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) 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 March 31, 2010 and its profit for the year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

Statutory Auditors

The existing statutory auditors M/s G. Balu Associates, Chartered Accountants, shall retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility within the limits specified in sub-section (1B) of section 224 of the Companies Act, 1956 and willingness to continue in office as statutory auditors, if re-appointed.

Pursuant to recommendation of the Audit Committee, the Board of Directors have approved the reappointment of M/s G.Balu Associates as the statutory auditors of the Company for the financial year 2010-2011, subject to the approval of the shareholders of the company at the ensuing Annual General Meeting.

Auditors' Report

In the Auditors' Report, the auditors have drawn attention to:

a. Non-confirmation of balance in debtors, creditors, Loans and advances and Deposits. The company has determined these balances and is of the view that these balances represent true picture of the transactions to which they relate.

b. No provision having been made in the books for any diminution in value for the investments made in the subsidiaries. The Company has not considered diminution in investments as it is not of a permanent nature and the current business and potential for the future for these subsidiaries is extremely positive.

c. Payments due to banks not settled as per terms entered into with the banks. This was due to severe liquidity issue faced by one of the subsidiaries as its banker went under liquidation, thus adjusting the collections against their limits. This created severe cash strain for operations support. Some of the major clients of this subsidiary also sought enhanced credit period which created further liquidity crunch. The company is in continuous discussions with the banks to get a restructuring plan to make the payments due to them as it is only a temporary liquidity issue. The net worth of the company is more than adequate to prove its financial viability.

In the annexure to the Auditors' Report, it has been observed at clause (ix) that there were delays in the remittances of provident fund and tax deducted at source in India. This was due to severe liquidity crunch. The Company is in the process of raising some loans and these liabilities will be discharged immediately thereafter".

Corporate Social Responsibility

Mascon being a responsible corporate entity has continuously been taking initiatives to address the societal problems and uplifting the underprivileged. During the year also "Mascon Community Service"(MCS) continued to carry out the identified activities:

- Voluntary blood camps by employees of Mascon
- Financial assistance for old age homes
- Regular visit by MCS volunteers to orphanages to impart education and promote social and moral values.
- Providing free education to street children in New Delhi

Particulars of employees

As per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure 'A' to this Report.

Acknowledgements

The Board of Directors acknowledges the consistent support from the Company's clients, vendors, bankers, Government agencies, shareholders and investors. The Directors also place on record their sincere appreciation for the significant contribution made by the employees at all levels through their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place: Chennai
Dated: December 04, 2010

K. Chandra
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

A. Conservation of energy

The operations of your Company are not energy-intensive. However, adequate measures have been taken to preserve environment and reduce energy consumption by using energy efficient computers and equipments. Your Company uses CFL fittings in the development centers to reduce the power consumption for lighting. As energy cost forms a very small part of total cost, the impact on cost is not material.

B. Technology absorption

a. Research and development

Your Company continuously invests in Research and Development ensuring a high level of technical competence. Research and Development refers to

- i) *General Software Development, which includes adoption of new technologies, process improvement, etc.*
- ii) *Continuous development & innovation in the Software Development Life Cycle process by adopting latest technologies such as Agile and extreme programming*
- iii) *Implementation of Project Management Information System (PMIS) tools to plan and track the project execution across the globe.*
- iv) *Designed and developed a product to manage Competency Development and Management across the Company.*
- v) *Company has developed a very comprehensive Risk Management tracker for tracking the project risks*
- vi) *Company has developed a Home Automation Solution in emerging technologies like Zigbee, Zwave etc.*
- vii) *Company has developed a demonstrable convergence gateway solution which is a confluence of legacy and current standards in wireline and wireless communications.*
- viii) *Company has developed a framework for Network Management Systems.*
- ix) *Development of a solution offering in the Plastics Manufacturing arena with the global leader in the ERP Software.*
- x) *Company has developed a Value Added Service framework for messaging platform.*
- xi) *Company has developed a security solution in emerging technologies like broadband wireless communication.*
- xii) *Development of frameworks, which helps in rapid development of new products/system.*
- xiii) *Verification & validation: Development of a process for testing, which enables the Company to deliver high quality product/solutions by optimizing the resources.*

MGL Continues to strengthen the R&D work in application development areas and absorption of new technologies. During 2009-2010, the communication technology division has developed the following solutions:

1. Convergence Gateway:

MGL Convergence Gateway is a new generation VoIP enabled gateway based on PICMG 2.16 compliant cPCI COTS hardware. This supports multiple interfaces and functionalities. It supports SIP user agents. FXS based telephone endpoints. For trunking it supports SIP, FXO, ISDN-PRI, E&M. It supports various Class- 5 features and also multi-party conferencing. Some of the USP's of the solution are:

- Highly customizable hardware (common off the shelf)
- Easy GUI based provisioning and management support
- Highly scalable
- New features can be easily added
- Provides backend billing support

2. MGL NMS Framework:

MGL NMS Framework is a simplified solution for monitoring, configuring and troubleshooting network devices and elements. The Framework is a heterogeneous, hierarchal and distributed network management system which manages the activities, procedures, methods and tools that pertain to the OAMP (operation, administration, maintenance, and provisioning) of any network systems.

Individual network elements (NE) in any network can be managed by NMS Agent. Multiple agents can be connected to the central NMS Server which manages the network elements. The NMS solution supports complete FCAPS (Fault, Configuration, Accounting, Performance, and Security) functionality.

Benefits of MGL NMS Framework include

- Hierarchical management of agents and servers
- Management of logical networks
- Easy XML based configurations
- Built-in scheduler
- Topology view, and
- Support for various RDBMS.

3. HomeNet – A Home Networking Solution:

Home networking is a new and emerging area. New standards are being released; new devices are being introduced into the market. Home networking emergence is necessitated by plenty of electronic gadgets used at home and the need to exchange data between them seamlessly.

HomeNet is a comprehensive solution being developed to showcase MGL's expertise in these areas. HomeNet solution consists of off-the-shelf products integrated to form the home network; applications and services that can be offered over the home network. The solution enables:

- Remote monitoring of homes from a desktop connected to internet
- Networking devices within home using different medium (Coaxial cable, telephone cable, power lines, wireless)
- Media sharing between devices (TV, Mobile phone, computer, etc) within home
- Converged voice communication within home

b. Benefits derived as a result of above efforts

During the year 2009-10, MGL has taken the initiative to upgrade its current CMMi Level 5 certification to the latest CMMi Level 5 version v1.3 and plan to get assessed under new version for 2011-12. We are also currently developing processes to align with the new services model (CMMI-SVC) released by the Software Engineering Institute (SEI)

In our continuous commitment towards the society, MGL established an Environmental Management System based on ISO 14001 standard. We got certified for ISO 14001:2005 in August 2009. Our company is actively identifying ways to adopt Green measures into all its operations.

During the year 2009, MGL Gurgaon Development center got certified for ISO 9001:2008.

MGL's Communication division at Bangalore got re-certified for TL 9000 in November 2009. TL 9000 is a specific Quality System standard promoted by Telecom industry leaders. MGL is among the only few organizations in India to have achieved this certification. During 2009-2010, MGL upgraded its TL 9000 certification to version 5.0 and became first few companies in World to have certified for version 5.0 of TL 9000 requirements.

MGL is also uniquely certified for TL 9000 "Product category 7.8.2" for its consulting and staff augmentation business. We became the 4th organization in the world to have achieved a certification for their consulting and staff augmentation business.

Our Company continues to achieve a higher degree of methodology standardization in handling software projects, which have been acclaimed by various quality auditors. The results will help the Company in leveraging these learnings into developing better solutions for its clients.

In the coming years, we will continue to work on new Quality Initiatives like CMMi Level 5 v1.3, CMMi for services and Six Sigma.

c. Future plan of action

Your Company is continuously strengthening the R&D work in application development areas and absorption of new technologies. Your Company continues to invest in total integration of all its offices for improved efficiency.

The Company has spent an amount of Rs.6.2 million during the year towards setting up and executing Center of Excellence. MGL has been working in the communication technology areas to create enablers in several fronts.

Teams have been formed to develop ideas and frameworks to help address the time to market challenges of our customers. An example of such a framework is the MGL's NMS Framework. This provides a simplified solution for monitoring, configuring, and troubleshooting network devices and elements.

MGL also has developed a Home Networking solution by integrating various components (COTS) and developed software glue on them. With this user will be able to view pictures stored in his/her computer on TV, able to play various playlist in home computer over the music system, monitor his home remotely over the internet or mobile phones.

MGL also has developed a Convergence Gateway, which can act like a small foot print, highly configurable and customizable IPPBX system providing various class-5 features, using COTS components.

MGL has plans to develop expertise in the following areas:

- Applications for Android based systems
- Voice XML
- Test Automation

IMS (IP Multimedia Subsystem) is an emerging standard in the telecom arena. The company is developing a suit of products to create Intellectual property and expertise in IMS area. AVANZAR suite consists of AVANZAR-Diameter, AVANZAR-DiaSim, AVANZAR-DiaTest, and AVANZAR-DiaLDAP products that enable TEMs to quickly re-engineer their existing network elements to make them IMS compliant and develop new IMS Network Elements. MGL participated in the IMS Plugfest conducted at University of New Hampshire, USA. At present, we are actively marketing AVANZAR to various customers.

RichSMS is a Value Added Application for mobile users. This has been jointly developed with our existing customer Roamware. Roamware has more than 300 telecom operators worldwide as their customers and Roamware is marketing RichSMS to these customers. MGL owns the intellectual property of RichSMS.

To meet the ever growing and specific needs of the Travel & Hospitality industry, MGL has developed market intelligence solutions that provide real time information relevant to hotels, car, airline or total travel package operators. VerityRM helps hotels, airlines and cruise operators around the world to obtain competitive rate/ availability information about their competitors from a wide array of electronic distribution channels. It has both On-demand and Scheduled reporting components. VerityRank is a powerful online competitive intelligence tool that will help monitor online presence with respect to search engine rankings vis-à-vis the competition. It helps to strategize marketing search action plan to stay ahead of the competition. ServizConnect helps the hotel and property management businesses to easily manage their room inventory and price across various distribution channels. It also has Batch, Price and Detailed Update components.

d. Expenditure incurred

No further funds have been spent during the year towards setting up and executing Center of Excellence..

e. Technology absorption, adaptation and innovation

Your Company uses the latest technology available for its operations. Your Company continues to maintain its thrust in modern technology applications. The Company has completed the implementation of Oracle ERP software at all its locations across the world to bring about uniformity of processes during the year .

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	For the year ended March 31, 2010	(Rupees in thousands) For the year ended March 31, 2009
a. Foreign exchange earnings by export of Software	3,487,753	3,621,021
b. Expenditure in foreign currency		
Expenses incurred in connection with onsite operations at overseas trading office	3,202,236	2,396,399
Overseas allowances, travel and other expenses	6,143	20,432
Capital goods	Nil	1,389
Investment in WOS	243,143	67,805
Advance towards acquisition of shares	Nil	Nil

For and on behalf of the Board of Directors

Place:Chennai
Date:December 04, 2010

K. Chandra
Chairman

Auditor's Report

TO THE MEMBERS OF MASCON GLOBAL LIMITED

1. We have audited the attached Balance Sheet of M/s. MASCON GLOBAL LIMITED, Chennai, as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable.

4. Further to our comments in the Annexure referred to above, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from the examination of the books.

c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account.

d. In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in conformity with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

e. In our opinion, on the basis of written representations from the Directors taken on record by the Board of Directors of the Company, we report that, no director is disqualified from being appointed as Director of the Company, under Clause (g) of subsection (1) of Section 274 of Companies Act, 1956.

f. We also draw Attention to Note No.6 (Schedule 18) of the financial statements regarding management assessment of the carrying value of its investments in subsidiary companies and also in respect of the claims made by the previous owners of M/s. E-Businessware. We are unable to express our opinion on the quantum of impact into the Profit and Loss Account on the above, for want of information from the management relating to various agreements entered into on behalf of the Company with the previous owners of the subsidiaries, current market value of the investments, investee's assets / receivables and expected cash flow from the investment.

g. We draw Attention to Note No.7 (Schedule 18) regarding non receipt of confirmations from Debtors, Creditors, Loans and advances. As a result thereof, we have placed reliance on the balances shown in the books of the company, effect on revenue is not ascertained, pending receipt of confirmation and reconciliation thereon

h. Without qualifying our opinion, we draw attention to Note No. 10(ii) to the financial statements wherein the Company has reported that it is in the process of settling the overdue amounts of Secured Creditors.

i. In our opinion and to the best the of our information and according to the explanations given to us, the said accounts read with the notes thereon, subject to para (f) and para (g) above, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2010,

b) in the case of the Profit and Loss Account, of the LOSS of the company for the year ended on that date, and

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

**For M/s. G. BALU ASSOCIATES
Firm Regn.No.000376S
CHARTERED ACCOUNTANTS**

**G. Balasubramanyan
Partner
Membership No. 7628.**

Place: Chennai

Date: 4th December, 2010

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of our Report of even date to the Members of M/s. Mascon Global Limited, on the accounts for the year ended 31st March 2010.

i) In respect of Fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets, except in respect of certain locations where it is in the process of updating.

b) The fixed assets have been physically verified by the management in a phased manner in accordance with a programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The company has not disposed off any substantial portion of its fixed assets during the year.

ii) The Company did not have any Inventories and accordingly, the provisions of clause 4(ii) of the Order is not applicable to the Company for the year

iii) a) The Company, during the year has not taken any loans secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

b) The Company, during the year, has not granted secured or unsecured loan to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and with regard to sale of goods/services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

v) a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section, and

b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) The Company has not accepted any deposits from the public.

vii) In our opinion, the company has an adequate Internal Audit System commensurate with the size and nature of its business, which need to be strengthened.

viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

ix) In respect of statutory dues:

a) According to the records of the company, the company is generally regular in depositing with appropriate authorities, the undisputed statutory dues applicable to the company, except that there were delays in the remittances of Provident fund, ESI, Service Tax and Tax deducted at Source in India. Also TDS of Rs. 26,586,850/-, PF of Rs. 2,742,190 and Professional Tax of Rs.1,416,452/-, outstanding as at the year end, remains to be paid as on date.

b) According to the records of the company and based on the information and explanations offered thereon, there were no undisputed statutory amounts payable as at 31st March 2010 for a period of more than six months from the date they became payable, except for US State Taxes payable amounting to Rs. 712,224/-, Indian Income Tax payable to the extent of Rs. 34,763,545 for the A.Y.2008-09, Rs. 23,714,340 for A.Y.2009-10, TDS of Rs. 29,125,131/- and Professional Tax of Rs.1,491,621/-

c) According to the records of the company and based on the information and explanations offered thereon, the disputed statutory dues that have not been paid as on 31st March 2010, on account of disputed matters pending before appropriate authorities is as given under:

Name of the Statute	Nature of dues	Forum where dispute is pending	Assessment year	Rupees in millions
Income Tax Act, 1961	Income tax	Income tax Appellate Tribunal	2002-03	9.74
		Income Tax Appellate Tribunal(*)	2006-07	57.84

(*) under process of filing

x) The company does not have accumulated losses that are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit but has not incurred any cash losses in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has during the year, not defaulted in repayment of dues to any financial institutions/ banks, except as follows:

Particulars	Period of Delays (Approximated)	Amount (in Rs.)
Banks: Principal dues	2008-09	Rs. 116,538,960
	2009-10	Rs 388,536,170
Interest dues	Quarter ended Dec 2008	Rs 1,930,585
	Quarter ended Mar 2009	Rs. 2,295,085
	Quarter ended Jun 2009	Rs 10,718,160
	Quarter ended Sep 2009	Rs. 12,655,288
	Quarter ended Dec 2009	Rs. 13,988,700
	Quarter ended Mar 2010	Rs. 36,109,495

xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

xiii) The company is not a Chit fund, Nidhi or mutual benefit fund or Society.

xiv) The company is not dealing or trading in shares, securities, debentures or other investments.

xv) The company, has given a guarantee for loan taken by a company from bank, the terms and conditions thereof are not prejudicial to the interests of the company.

xvi) The company has not taken any term loans during the year, and hence the question of application of the same does not arise for the year.

xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis, have been used for long term investments.

xviii) According to the information and explanations given to us, the company has not, during the year made any preferential allotment of shares to parties and companies covered in the Register maintained under Sec.301 of the Companies Act, 1956.

xix) The company has not issued any debentures during the year.

xx) The company has not raised any money from the public issue during the year.

xxi) According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

For M/s. G. BALU ASSOCIATES
Firm Regn.No.000376S
CHARTERED ACCOUNTANTS

G. Balasubramanyan
Partner
Membership No. 7628.

Place: Chennai

Date: 4th December, 2010

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF MASCON GLOBAL LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MASCON GLOBAL LIMITED AND ITS SUBSIDIARIES

1. We have examined the attached Consolidated Balance Sheet of Mascon Global Limited ("the Company"), and its subsidiaries (as per the list appearing in Note 2 to the consolidated financial statements) [collectively referred to as the "Mascon Group"] as at March 31, 2010 and also the Consolidated Profit and Loss Account for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are prepared, in all material respect, in accordance with the financial reporting framework generally accepted in India and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. The financial statements of WOS-MGL Americas, US, (including its subsidiaries), Versatech Consulting Inc. US, Mascon Global (Europe) Limited, UK, Jass & Associates Inc., USA, has not been audited by us while WOS-Mascon International Limited, Mauritius have been audited by Gaetan Wong To Wing, Chartered Accountant, and WOS-EBusinessware Inc., USA (including its subsidiaries) have been audited by Sherb & Co., LLP. Certified Public Accountants. The financial statements not audited by us, have been considered for consolidation, reflecting total assets of Rs. 8,852,929,531 as at 31st March 2010 and total revenue of Rs. 7,976,451,009 and total cash flows of (-) Rs. 9,441,006 for the period ended on that date

4. We draw Attention to Note No.6 (Schedule 18 of MGL Standalone financial statements) and Note No.8 (Schedule 18) of the Consolidated Accounts, regarding management assessment of the carrying value of its investments by Mascon Global Limited, in its subsidiary companies and also in respect of the claims made by the previous owners of M/s. E-Businessware. We are unable to express our opinion on the quantum of impact into the Profit and Loss Account on the above, for want of information from the management relating to various agreements entered into on behalf of the Company with the previous owners of the subsidiaries, current market value of the investments, investee's assets / receivables and expected cash flow from the investment.

5. We also draw Attention to Note No.9 (Schedule 18) regarding non receipt of confirmations from Debtors, Creditors, Loans and advances. As a result thereof, we have placed reliance on the balances shown in the books of the company, effect on revenue is not ascertained, pending receipt of confirmation and reconciliation thereon.

6. Without qualifying our opinion, we draw attention to Note No. 11(ii) (Schedule 18) to the financial statements wherein the Company has reported that it is in the process of settling the overdue amounts of Secured Creditors.

In our opinion and to the best of our information and according to the explanations given to us and on consideration of the separate review reports / management certifications on individual financial statements of Mascon Global Limited and its subsidiaries, read together with the Notes on Accounts of the consolidated financial statements, subject to Para 4 and Para 5 above, give a true and fair view of:

(a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Mascon Group as at March 31, 2010; and

i. In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Mascon Group of the LOSS for the year ended on that date.

ii. In the case of the Consolidated Cash Flow Statement, of the cash flows of Mascon Group for the year ended on that date.

For M/s. G. BALU ASSOCIATES

Firm Regn.No.000376S

CHARTERED ACCOUNTANTS

G. Balasubramanyan

Partner

Membership No. 7628.

Place: Chennai

Date: 4th December, 2010

Annual Accounts

Mascon Global Limited
Balance Sheet as at March 31, 2010

(Rupees in thousands)

SOURCES OF FUNDS	SCHEDULE	MARCH 31, 2010	MARCH 31, 2009
SHAREHOLDERS' FUNDS			
Share capital	1	3,721,270	3,721,270
Reserves and surplus	2	3,534,872	4,250,292
		7,256,142	7,971,562
LOAN FUNDS			
Secured loans	3	1,839,776	1,817,696
Unsecured loans	4	2,309,916	2,593,912
Deferred tax liability (Net)		-	14,983
		11,405,834	12,398,153
APPLICATION OF FUNDS			
Fixed assets	5		
Original cost		201,800	201,880
Less: Depreciation		166,587	157,312
Net book value		35,213	44,568
Add: Capital work in progress		69,068	306,102
		104,281	350,670
INVESTMENTS			
	6	7,865,375	7,624,388
CURRENT ASSETS, LOANS AND ADVANCES			
Accounts receivable	7	3,145,191	2,900,638
Cash and bank balances	8	8,623	171,904
Loans and advances	9	1,688,197	2,229,047
		4,842,011	5,301,589
Current liabilities and provisions	10	(1,562,669)	(1,451,953)
Net current assets		3,279,342	3,849,636
MISCELLANEOUS EXPENDITURE			
(to the extent not written of or adjusted)		154,875	573,459
PROFIT & LOSS ACCOUNT			
		1,961	-
		11,405,834	12,398,153

Notes to the financial statements

18

Schedules 1 through 11 and 18 referred to above form an integral part of the Balance sheet referred to in our report of even date.

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanian

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

Profit and Loss Account for the year ended March 31, 2010*(Rupees in thousands)*

	SCHEDULE	YEAR ENDED MARCH 31, 2010	YEAR ENDED MARCH 31, 2009
REVENUE	12	3,553,277	3,750,090
COST OF REVENUE	13	2,780,535	2,850,489
GROSS PROFIT		772,742	899,601
INTEREST AND OTHER INCOME	14	2,775	15,176
EXPENDITURE			
Selling, General and Administration expenses	15	1,178,054	346,625
Interest and finance charges	16	358,082	257,768
Depreciation		9,795	14,251
Miscellaneous Expenditure written off		44,841	15,382
		1,590,772	634,026
PROFIT/(LOSS)			
Before Prior Year Adjustment And Tax		(815,255)	280,751
Prior year adjustment	17	(18,852)	-
Provision for taxation			
- Current tax		8,500	31,811
- Deferred tax		(14,984)	(4,551)
- Fringe benefit tax		-	4,796
PROFIT/(LOSS) AFTER TAX		(789,919)	248,695
Profit & Loss account, beginning of the year		787,958	539,263
Profit & Loss account, end of the year		(1,961)	787,958
Equity shares of par value Rs. 10/- each.			
Earning per share			
Basic		(2.12)	0.68
Diluted		(1.63)	0.65
No. of shares used in computing earnings per share(in thousands)			
Basic		372,127	367,903
Diluted		458,149	453,925

Notes to the financial statements **18**

Schedules 12 through 18 referred to above form an integral part of the Profit & Loss account referred to in our report of even date.

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanyan

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

Mascon Global Limited**Cash flow statement for the year ended March 31, 2010***(Rupees in thousands)*

	Year ended March 31, 2010	Year ended March 31, 2009
A. Cash flow from operating activities:		
Net profit before interest and tax	(469,186)	505,426
Depreciation	9,795	14,251
Provision of doubtful debts & advances	339,382	-
Loss on sale of investment	-	21
Loss on sale of fixed assets	200	(8,016)
Miscellaneous expenses written off	44,841	15,382
Decrease/(Increase) in sundry debtors	(260,424)	(1,210,818)
(Increase)/Decrease in loans and advances	416,978	(728,499)
(Increase)/(Decrease) in current liabilities and other provisions	174,754	730,145
(Increase)/Decrease in miscellaneous expenditure	373,743	(395,582)
Income taxes paid	(49,639)	(32,555)
Net cash flow from operating activities	580,444	(1,110,245)
B. Cash flow from investing activities		
Purchase of fixed assets	(668)	(8,756)
Decrease/(Increase) in Capital work in progress	87,034	(2,595)
Proceeds from sale of fixed assets	28	16,379
Purchase of Investments	(240,987)	(72,308)
Dividend income received	26	36
Interest income received	137	3,407
Net cash used for investing activities	(154,430)	(63,837)
C. Cash flow from financing activities		
Proceeds from allotment of equity shares	-	91,000
Increase in secured loan	22,080	823,655
Increase/(Decrease) in unsecured loan	(283,996)	627,912
Interest expenses paid	(327,380)	(228,118)
Net cash flow from financing activities	(589,296)	1,314,449
Net increase in cash and cash equivalents during the year/period	(163,282)	140,368
Cash and cash equivalents at the beginning of the year/period	171,905	31,537
Cash and cash equivalents at the end of the year/period	8,623	171,905

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

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanyan

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

Mascon Global Limited
Schedules to the Balance sheet as at March 31, 2010

(Rupees in thousands)

	As at March 31, 2010	As at March 31, 2009
1. Share capital		
Authorized 700,000,000 [Previous Year - 700,000,000] Equity Shares of Rs. 10 each	7,000,000	7,000,000
	7,000,000	7,000,000
Issued, subscribed and paid-up 372,127,045[Previous Year -372,127,045] Equity shares of Rs. 10 each (Of the above, 15,662,400 Equity shares were allotted during the year 2000 as fully paid up, by issue of bonus shares by capitalizing share premium and surplus in the profit and loss account. During March 2002, November 2004, March 2006, June 2007, March 2008, January 2009 & February 2009. 2,880,000, 16,594,380, 32,967,032, 26,000,000, 40,000,000, 5,029,240 & 292,398 equity shares respectively were allotted for consideration other than cash)	3,721,270	3,721,270
	3,721,270	3,721,270
2. Reserves and surplus		
Capital Reserve		
Share warrant forfeiture		
Balance beginning of the year	203,190	203,190
Received during the year	72,538	-
Balance end of year	275,728	203,190
Securities Premium		
Balance beginning of the year	3,259,144	3,211,248
Received during the year		47,895
Amortization of issue expenses	-	-
Balance end of year	3,259,144	3,259,144
Profit & Loss Account	-	787,958
	3,534,872	4,250,292
3. Secured loans		
Term Loans		
ICICI Bank Limited		
Term Loans	189,164	195,313
Deferred Interest	11,776	13,820
Interest accrued & due	56,121	36,988
State Bank of India		
Term Loans	720,939	736,190
Interest accrued & due	21,576	10,109
Oriental Bank of Commerce Limited		
Term Loans		-
Funded Interest	19,653	21,452
Bank of India		
Term Loans	-	299,948
Interest accrued & due	-	3,291
Working Capital Loans		
ICICI Bank Limited - Cash credit	80,102	59,604
State Bank of India – Cash credit	589,965	310,450
SBI Global Factors Limited – Bills Discounting	145,667	124,319
Others		
Hire purchase loans from banks and financial companies	4,813	6,212
	1,839,776	1,817,696
4. Unsecured loans		
Foreign Currency Convertible Bond	2,257,000	2,547,500
Inter Corporate Deposit	40,000	40,000
Interest accrued and due on the above	12,916	6,412
	2,309,916	2,593,912

5 FIXED ASSETS
(Rupees in thousands)

Particulars	ORIGINAL COST				DEPRECIATION				WDV AS AT	
	April 1, 2009	Additions	Deletions	March 31, 2010	April 1, 2009	For the year	Deletions	March 31, 2010	March 31, 2010	March 31, 2009
Computer hardware	104,998	536	-	105,534	94,556	4,276	-	98,832	6,703	10,442
Furniture and fittings	42,244	-	-	42,244	31,480	1,948	-	33,428	8,816	10,764
Office equipment	37,977	132	-	38,109	23,809	2,007	-	25,816	12,293	14,168
Motor vehicles	16,661	-	748	15,913	7,468	1,564	519,603	8,511	7,401	9,193
TOTAL	201,880	668	748	201,800	157,313	9,795	519,603	166,587	35,213	44,567
Previous year	221,257	8,756	28,133	201,880	162,811	14,251	19,749	157,313		

CAPITAL WORK IN PROGRESS
*(NET OF PROVISIONS) **
69,068
306,102
GRAND TOTAL
104,281
350,669
Note: Motor vehicles include assets acquired on hire purchase aggregating to Rs. Nil/- (previous year Rs. 7,329,424).
(Rupees in thousands)

As at
March 31, 2010

As at
March 31, 2009

6 INVESTMENTS
LONG-TERM, QUOTED

Hexaware Technologies Limited 220 Equity Shares of face value of Rs 2(Rs.10) each, fully paid up (Market value Rs. 15,026 [previous year Rs. 5,731])	2	2
Aptech Limited 66 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 11,055 [previous year Rs. 5,498])	3	3
Mphasis BFL Limited 200 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 124,070 [previous year Rs. 39,840])	14	14
BHEL Limited 200 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs 477,090 [previous year Rs. 601,740])	34	34
DSQ Software Limited 100 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 669 [previous year Rs. 669])	4	4
ONGC Limited 150 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 164,775 [previous year Rs. 116,955])	27	27
Pentamedia Graphics Limited 110 Equity Shares of face value of Re 1 each, fully paid up (Market value Rs. 285 [previous year Rs. 152])	5	5
PVP Ventures Limited (Software Solutions Integrated Limited) 50 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 873 [previous year Rs. 5,015])	9	9
Sonata Software Limited 1000 Equity Shares of face value of Rs. 1 each, fully paid up (Market value Rs. 56,650 [previous year Rs. 15,950])	17	17

	As at March 31, 2010	(Rupees in thousands) As at March 31, 2009
HCL Technologies Limited 400 Equity Shares of face value of Rs 2 each, fully paid up (Market value Rs. 143,120 [previous year Rs. 40,700])	158	158
Aricent Technologies Limited 405 Equity Shares of face value of Rs. 5 each, fully paid up (Market value Rs. 36,155 [previous year Rs. 36,155])	74	74
Infosys Limited 280 Equity Shares of face value of Rs. 5 each, fully paid up (Market value Rs. 732,228 [previous year Rs. 370,748])	277	277
NIIT Limited 300 Equity Shares of face value of Rs. 2 each, fully paid up (Market value Rs. 17,295 [previous year Rs. 6,075])	64	64
NIIT Technologies Limited 90 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 15,323 [previous year Rs. 4,775])	95	95
PSI Data Systems Limited 60 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 2,841 [previous year Rs. 2,841])	66	66
Satyam Computers Limited 1000 Equity Shares of face value of Rs 2 each, fully paid up (Market value Rs. 92,600 [previous year Rs. 38,350])	321	321
Megasoft Limited (Visual Software Limited) 93 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 2,172 [previous year Rs. 8,384])	386	386
WIPRO Limited 600 Equity Shares of face value of Rs. 2 each, fully paid up (Market value Rs. 424,080 [previous year Rs. 147,240])	334	334
IOL Netcom Limited 53,168 (99,668) Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 1,898,675 [previous year Rs. 3,702,666])	2,347	4,503
	4,237	6,393
LONG-TERM, UNQUOTED		
Investments in wholly owned subsidiaries		
13,000(13,000) MGL Americas Inc., USA	3,375,730	3,132,587
1,000 (1,000) Versatech Consulting Inc., USA	441,706	441,706
337,546(337,546) E-Businessware Inc., USA of face value \$1 per share.	1,176,409	1,176,409
1,500 (1,500) Jass & Associates, Inc.	1,350,436	1,350,436
7,485,000(7,485,000) Mascon International Limited	317,160	317,160
391,000 Mascon Global (Europe) Limited, UK	273,203	273,203
	6,938,881	6,697,894
Others		
Advances towards acquisition of shares of companies	926,494	926,494
	7,865,375	7,624,388

	As at March 31, 2010	(Rupees in thousands) As at March 31, 2009
7 ACCOUNTS RECEIVABLE		
Exceeding six months – unsecured		
Considered good	1,520,711	1,568,965
Considered doubtful	835,870	820,000
Others – unsecured		
Considered good	1,624,480	1,331,673
	3,981,061	3,720,638
Less: Provision for doubtful debts	835,870	820,000
	3,145,191	2,900,638
8 CASH AND BANK BALANCES		
Cash on hand	188	405
Balances with scheduled banks		
in current accounts	2,119	150,156
in deposit accounts	5,771	5,976
Balances with non scheduled banks	545	15,367
	8,623	171,904
9 LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received.		
Net of Provision	1,164,179	1,389,873
Loans and advances to employees	1,292	6,811
Deposits with the government and other agencies	9,821	9,693
Rent deposits	372,470	730,970
Advance Income-tax	136,865	87,225
Prepaid expenses	3,570	4,475
	1,688,197	2,229,047
10 CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Accounts payable	1,294,786	1,170,695
Due to Directors	2,342	1,389
Interest accrued but not due on Loans	15,180	15,374
Share Warrant Account	-	72,539
Other liabilities	83,533	31,885
	1,395,841	1,291,882
Provisions		
Taxation	133,006	124,505
Gratuity	17,026	17,614
Leave encashment	13,061	14,216
Post sales customer support	3,736	3,736
	1,562,669	1,451,953
11 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Development Expenditure	139,285	177,876
Deferred Revenue Expenditure	-	6,250
Foreign Currency Monetary item Translation Difference	15,590	389,333
	154,875	573,459
Schedules to the Profit & Loss Account for the year ended March 31, 2010		
12 REVENUES		
Software development		
Overseas	3,487,753	3,621,021
Domestic	65,524	129,069
	3,553,277	3,750,090

	As at March 31, 2010	(Rupees in thousands) As at March 31, 2009
13 COST OF REVENUES		
Salaries and allowances	423,512	531,496
Contribution to employee provident fund and other benefit plans	17,568	22,759
Staff welfare expenses	29,815	28,576
Software license costs	8,506	4,342
Outsourcing Cost	2,249,823	2,188,483
Travelling expenses	18,766	24,508
Electricity charges	19,592	21,540
Communication expenses	11,972	19,261
Recruitment expenses	953	5,274
Staff training expenses	28	4,250
	2,780,535	2,850,489
14 INTEREST AND OTHER INCOME		
Interest earned (TDS Rs. 31,415) [Previous Year – Rs. 37,867]]	137	3,407
Income from training activities	367	738
Profit on sale of Fixed Assets	-	8,016
Dividend received	26	36
Miscellaneous income	2,245	2,979
	2,775	15,176
15 SELLING, GENERAL AND ADMINISTRATION EXPENSES		
Salaries & allowances	175,988	183,449
Contribution to employee provident fund and other benefit plans	11,321	14,736
Staff welfare expenses	13,158	18,836
Rent	78,183	113,291
Rates and taxes	904	222
Insurance	654	92,272
Outsourcing Cost	2	101,323
Legal and professional charges	34,042	9,277
Travel and conveyance	16,082	25,441
Marketing and sales promotion expenses	954	3,825
Exchange difference	384,068	(254,924)
Printing and stationery	2,970	3,706
Repairs and maintenance		
Machinery	1,017	2,480
Others	10,801	12,608
Loss on sale of fixed assets	200	-
Loss on sale of investments	-	21
Membership and subscription	493	877
Donation	22	7,044
Bad Debts written off	99,609	-
Provision for bad & doubtful debts	207,075	-
Provision for bad & doubtful advances	132,307	-
Miscellaneous expenses	8,204	12,141
	1,178,054	346,625
16 INTEREST AND FINANCE CHARGES		
Interest on term loans	161,927	113,915
Interest on working capital loans	81,924	9,130
Interest on bill discounting Loans	65,358	27,865
Interest on hire purchase loans	-	170
Lease Rentals	30,702	29,650
Bank charges	4,833	12,276
Others	13,338	64,762
	358,082	257,768
17 PRIOR YEAR ADJUSTMENTS		
Credit		
Excess provisions written back	18,852	-
	18,852	-
	(18,852)	-

18. Notes to the financial statements for the period ended March 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements of Mascon Global Limited have been prepared on a historical cost convention, in accordance with the Generally Accepted Accounting Principles in India, and in compliance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as referred to in section 211(3C) of the Companies Act, 1956 (the Act). All items of income and expenditure having a material bearing on the financial statements have been recognised on the accrual basis.

The accounting policies applied by the Company are consistent with those used in the previous period.

(b) Use of estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Examples of such estimates are useful lives of fixed assets, percentage of completion on uncompleted contracts, income taxes, post-sales customer support and provisions for doubtful debts. Actual results could differ from those estimates. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialized.

(c) Revenue recognition

Revenues from software development on a time-and-material basis are recognized as the services are performed. Revenue from fixed price contracts is recognized based on the milestones achieved as specified in the contracts, on the percentage of completion basis. Revenue from Annual Maintenance Contracts and training revenues are recognized on a pro-rata basis over the period in which such services are rendered. Interest on deployment of surplus funds is recognized using the time-proportion method based on the rates implicit in the transaction. Dividend income is recognized when the right to receive dividend is established. Incomes on account of Lease Rentals are recognized ratably on a straight-line basis over the lease term.

(d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use. Cost also includes financing costs relating to specific borrowing(s) attributable to the acquisition or construction of fixed assets.

The cost of software purchased for use in software development and services is charged to the cost of revenues in the year of purchase.

(e) Depreciation

Depreciation is provided using the written down value method based on Schedule XIV of the Companies Act, 1956, which approximates the useful lives of the assets as estimated by management. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date when the asset is available to the Company for its use/sale.

(f) Investments

Long term

Securities intended to be held for a period exceeding one year are classified as long-term investments and are carried at cost. Adjustments are made for any diminution in values that is, other than temporary.

Investments in subsidiaries

Investment in the Company's wholly owned subsidiaries are carried at cost.

These are expressed in Indian currency at the rate of exchange prevailing at the time when the investment was made.

(g) Work-in-progress

Work-in-progress in respect of fixed price contracts is stated at the lower of cost and net realizable value. Cost is determined using the percentage of completion method based on technical estimates made by management. Provision for estimated losses on unfinished contracts are recorded in the period in which such losses become probable based on the current contract estimates.

(h) Employee benefit plans

Employee benefit plans comprise both defined benefit and defined contribution plans.

Gratuity

The Company has an established gratuity plan for the benefit of employees based on certain eligibility criteria. The liability for gratuity is a defined benefit plan available to all eligible employees and is provided on the basis of actuarial valuation. The benefit scheme is maintained and administered by the Life Insurance Corporation of India (LIC) and the Company has no further obligations relating to the plan beyond its periodic contributions to the LIC.

Provident Fund

Provident fund is a defined contribution plan. Eligible employees and the Company make equal periodic contributions as a percentage of

the basic salary specified under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions.

Leave Encashment

Leave encashment is a defined benefit plan. The Liability for unavailed leave considered to be long term is carried based on Actuarial valuation.

(i) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are provided for under the tax payable method, whereby all income taxes devolving upon the Company are provided for after considering all eligible allowances and rebates. Any claims by the Revenue Authorities against the Company are evaluated as regards the likelihood of their crystallizing into a liability. Accordingly, the claims are quantified to the extent accurately determinable and the provision recorded or disclosure made depending on the assessment of such likelihood.

Deferred income taxes reflect the impact of timing differences (namely the differences that arise in one accounting period and reverse in another) between the taxable income and accounting income for the year, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(j) Foreign currency transactions

The currency in which the Company normally transacts business is the Indian Rupee and accordingly, all items of revenue, expenditure, assets and liabilities are recorded and reported in Indian Rupees.

Revenue earned and expenditure incurred in currencies other than the Indian Rupee is recorded at the rate of exchange prevailing on the date of the transaction. Differences arising on collection or settlement of outstanding amounts are recognized in the profit and loss account. The expenses of overseas operations met out of a foreign currency denominated account are converted in to rupees by applying the average monthly exchange rate.

Current assets and liabilities denominated in foreign currencies are re-measured as of Balance Sheet date at the prevailing exchange rates of the reporting currency and any differences recognized in the profit and loss account.

Exchange differences attributable to the acquisition of fixed assets are adjusted to the cost of the asset.

Exchange difference on Long Term Foreign Currency Monetary items (not related to acquisition of depreciable assets) are accumulated in "Foreign Currency monetary item Translation Difference Account" and amortised over the balance life of the long term asset/liability or till financial year 2011, whichever is earlier.

(k) Miscellaneous expenditure

Major non-recurring expenditure is amortized over a period during which the benefit is expected to accrue

(l) Borrowing cost

Borrowing cost attributed to the acquisition of assets are capitalized as part of the cost of those investments/ fixed assets till the date it is put to use. Other borrowing cost is recognized as expenditure in the period in which they accrue.

(m) Prior year adjustments

Significant items of income and expenditure, which relate to prior accounting years, are accounted in the Profit & Loss Account under the head "Prior year adjustments" other than those occasioned by events occurring during or after the close of the year and which are treated as relating to the current year.

(n) Cash Flow Statement

Cash Flow statement is prepared under the indirect method, with segregation between operating, financing and investing activities.

(o) Earnings per Share

Basic Earnings per Share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity Shares outstanding during the period. For the purpose of calculating diluted Earnings per Share, the net profit or loss after tax for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding including the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the company has a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation. Contingent Liabilities are disclosed by way of notes to the Financial Statements. Contingent Assets are neither recognized, nor disclosed.

2. RESERVES & SURPLUS

The Company has issued 43,500,000 share warrants at Rs. 19/- per share (including premium), during January 2008 with the option of conversion in to equity shares of the Company. The Company had received Rs. 83 million being 10% upfront payment. In view of non-exercising of the conversion option by payment of the balance amount within in the stipulated period, the Company had forfeited to the extent of 38.18 million share warrants and the amount towards upfront payment of Rs. 72.54 million has been transferred to Capital Reserves during the year.

3. SECURED LOANS

Working capital facilities obtained from ICICI Bank Limited is secured by a first charge on the current assets, a collateral security of the fixed assets and a personal guarantee by Chairman.

Term loan obtained from ICICI Bank Limited is secured by a first charge on the fixed assets and a charge on the current assets, collateral security of equity shares of the Company held by third parties, immovable property held by third parties and personal guarantee by the Chairman and a third party.

Term loan obtained from Oriental Bank of Commerce Limited is secured by a second charge on the assets of the Company, collateral security of Equity Shares held by third party and a personal guarantee by Chairman.

Term Loan availed from the State Bank of India is secured by a third charge on the assets of the Company, collateral security of immovable property and equity shares of the Company held by Chairman of the company and personal guarantee by the Chairman.

Working capital facilities obtained from State Bank of India is secured by a pari passu charge on current assets with ICICI bank Limited, Collateral security of immovable property of another Company along with the existing collateral security given to the Term Loan.

Bills discounting facility obtained from SBI Global Factors Limited secured by personal guarantee given by the Chairman of the company.

Loans obtained from banks / finance companies for the purpose of acquiring assets on hire purchase are secured by assets acquired.

4. UNSECURED LOANS

The company has issued 2% Foreign Currency Convertible Bonds (FCCBs) for \$ 50 million (Rs. 2,547.5 million) during December 2007 for a period of five years as per the Reserve Bank of India (RBI) guidelines and are due on December 28, 2012 with the option for conversion into 21,505,434 global depository receipts (GDRs) each representing 4 shares of Rs. 10 each or 86,021,736 Equity Shares of the Company.

5. Fixed Assets & Capital work-in-progress

a. The company has provided certain fixed assets on long term, cancelable lease to a company, and as per the terms, the same is closed during the year.

b. The company had taken assets on non-cancelable operating lease for three years. Lease payments are recognised as an expense in the Profit & Loss account on straight-line basis, the future rental obligations are Rs.19.26 million (previous year Rs. 49.27 million). The future minimum lease rental obligation for less than a year is Rs.19.26 million (previous year Rs.30.01 million) and more than a year up to three year is Rs. Nil (previous year Rs. 19.26 million).

c. Capital work in progress (CWIP) includes advances of Rs. 429.07 million (previous year Rs. 429.07 million) paid towards acquisition of property and for the development of software facilities of the Company. A provision of Rs. 360 million (previous year 210 million) has been was made towards balances considered doubtful of recovery. This provision is considered adequate.

6. INVESTMENT

Investments made in MGL Americas Inc., USA during the year Rs. 243.1 million (Previous year Rs. 67.8 million).

INVESTMENTS IN SUBSIDIARIES: TRADE – LONG TERM AT COST

	<i>(Rupees in thousands)</i>			
	MGL Americas Inc.,	E-businessware Inc.,	Versatech Consulting Inc.,	Jass & Associates Inc.,
Net Worth as on 31.03.2010	162,143	331,486	8,028	135,259
Revenue for the year	3,369,114	1,305,864	947,637	2,318,248
Investment as on 31.03.2010	3,375,730	1,176,409	441,706	1,350,436

Management is of the opinion that in view of current and future profitable business potential, in spite of low net worth reported by the subsidiary companies against the investment made in these subsidiary companies, the diminution in the value of investments is not considered permanent and hence no provision has been made therefor in the accounts.

The Company has paid additional sum of \$ 2,921,560 towards performance incentive for the period 2008 to 2010 to employees in one of the subsidiaries engaged in Information Technology Services in financial sector. The principal shareholder of the acquired subsidiary has made claims for about \$ 4 million to be settled in the form of issue of shares of the company towards balance payable on the acquisition of that company and the same is under dispute. No further provision for the acquisition of the Company has been made in the accounts.

One of the acquired subsidiary engaged in ERP solutions, has shown improved performance since 2008 and arising out of their improved performance, an estimated sum of \$ 8 million has been provided in the subsidiary's accounts of the consolidated profit and loss account of the company for the year, towards this additional incentive payable.

7. ACCOUNTS RECEIVABLES

During the year the company made additional provision for Rs. 15.87 million towards doubtful Accounts receivables. Total provision available as on date is Rs. 835.87 million (previous year Rs. 820 million), which is considered adequate.

Letters of confirmation of balances from several parties have not been received and hence the balances (debit/credit) are subject to adjustments, if any, on reconciliation / settlement of accounts.

8. CASH AND BANK BALANCES

Cash and bank balances include an amount of Rs 5,000 (previous year Rs 5,000) being amount on lien for sales tax deposit.

Balances / maximum balance held in the current account during the year with Non-scheduled Banks:

Name of the Bank	Balance as at 31.03.2010	Balance as at 31.03.2009	Maximum balances during the year	(Rupees in thousands)
				Maximum balances during the previous year
Citibank, NA	-	-	-	2,102
Amas Bank	422	367	422	396
Bank of America	-	447	-	2,055
Fifth-Third Bank	-	9,617	675	35,153
PNC Bank	-	-	26,322	-
Banco Efisa	122	4,935	6,392	45,809

9. CURRENT ASSETS, LOANS AND ADVANCES

During the year the Company made provision for Rs. 132.31 million (previous year Nil) being provision made for doubtful advances which is considered adequate.

CURRENT ASSETS, LOANS AND ADVANCES INCLUDE: (Rupees in thousands)

Interest free advance given to

WOS Companies	As at 31.03.2010	As at 31.03.2009
MGL Americas Inc.,	187,537	211,675
	(211,675)	(211,675)
Mascon Global (Europe) Ltd.	691,181	775,089
	(775,089)	(811,474)

Maximum outstanding at any time during the year shown within bracket.

10. ACCOUNTS PAYABLE

i. The Company did not have any dues to micro small and medium enterprises during the year under report.

ii. Petition for winding of the Company has been filed by one of the Secured Creditors. The company is contesting this petition and negotiating for settling this, out of court.

iii. In respect of services rendered by one of the overseas vendor the expenses charged to accounts are subject to confirmation with adequate documentation. The company is in the process of tying up the requisite documents.

11. MISCELLANEOUS EXPENDITURE

Development expenditure

Development expenditure consists of the following:

- Expenditure on Life Science division, amounting to Rs. 29.65 million is being amortised over a period of 5 years from 2007-08. Accordingly Rs. 5.93 million (previous year Rs. 5.92 million) has been written off during the year.
- Development expenditure on Center of Excellence amounting to Rs.147.33 million is being amortised over a period of 5 years from 2009-10.

Accordingly Rs. 29.47 million (previous year Rs. Nil) has been written off during the year.

- Expenditure on Oracle financial package, amounting to Rs.16 million, is being amortised over a period of 5 years from the current year. Accordingly Rs. 3.2 million (previous year Rs. 3.2 million) has been written off during the year.

FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT:

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary item in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Government of India on 31st March 2009. Accordingly the company has during the financial year 2008-09 accumulated on account of the Exchange Difference on Long Term foreign Currency Monetary Liability, under "Foreign Currency Monetary item Translation Difference Account" in the Balance sheet. This is being amortised over a period of 3 years commencing from the financial year 2008-09. Accordingly an amount of Rs. 83.24 (previous year Rs.194.67) million has been written off during the year to the Profit and Loss account included under Exchange difference account.

12. DIRECTORS' REMUNERATION

The remuneration paid to Mr. K.Chandra, Executive Chairman & CEO & Mr. M. Srinivasan, Director, of the Company included in salary and allowance amounting to Rs. 2.04 million (previous year Rs. 2.04 million) and Rs.1.49 million (previous year Nil), respectively. Actuarial valuation for gratuity and leave encashment is Rs.0.1million and Rs.0.07million(previous year Rs.0.08 million and 0.05 million) respectively. The revised remuneration approved for Mr. K.Chandra Executive Chairman by the shareholders is not effectuated on account of pending approval from Company Law Board (CLB).
Sitting fees paid to Directors during the year Rs.0.4 million (previous year Rs.0.53 million).

13. AUDITORS' REMUNERATION

Miscellaneous expenses include Auditors' remuneration as under: (Rupees in thousands)

	March 31, 2010	March 31, 2009
Statutory audit	2,206	1,655
Tax audit	78	78
Tax Matters	193	125
Certification	206	363
Out-of-pocket expenses	26	9

14. PROVISIONS FOR TAXATION

The Company is a 100% Export Oriented Unit (EOU) registered with the Software Technology Parks of India (STPI) and avail the tax exemptions available to it under section 10A of the Income Tax Act 1961, to the extent applicable. The provision for Current Tax (based on Minimum Alternate Tax) for the year, has been made as per the provisions of Income Tax Act, 1961. Income tax Department has raised demands of Rs. 9.74 million and 57.84 million for the Assessment Year 2002-03 and 2006-07, due to certain disallowances, which are disputed by the company on Appeals. The Company has been advised of a fair chance of the appeal being allowed by the appellate authorities and hence no provision for the same has been made in the financial statements for the year.

15. DEFERRED TAX

Deferred Tax Liability (Net) comprises of the following: (Rupees in thousands)

	As at 31.3.2010	As at 31.3.2009
a) Deferred Tax Liability:		
Deferred Revenue Expenditure (under Miscellaneous Expenditure)	43,039	19,662
b) Deferred Tax Assets:		
Depreciation differences	2,407	4,679
Income tax losses/disallowances*	40,632	-
Deferred Tax Liability (Net)	Nil	14,983

* Considered to the extent of prudence.

16. CONTINGENT LIABILITIES NOT PROVIDED FOR

	March 31, 2010	March 31, 2009
Bank Guarantees to Government Authorities	2,301	2,301
Guarantee given to a Bank on behalf of a Company	86,900	86,900
Estimated amount of contracts remaining to be executed on capital account	13,587	5,446
Current Liabilities taken over by Debtor*	326,516	366,418

* Statutory dues of the Company at USA for which a company director is pursuing early settlement.

17. QUANTITATIVE INFORMATION AS PER THE ACT

The Company is engaged in the development of computer software. The production and sale of such software cannot be expressed in generic unit. Hence, it is not possible to give quantitative details of sales and the information as required under paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

18. EXPENDITURE IN FOREIGN CURRENCY

	<i>(Rupees in thousands)</i>	
	March 31, 2010	March 31, 2009
Expenses incurred in connection with onsite operation at overseas trading office	3,202,236	2,396,399
Investment in WOS	243,143	67,805
Advances towards acquisition of shares of companies	Nil	NIL
Capital goods	Nil	1,389
Other expenses		
Travelling	6,143	9,462
Others	Nil	10,970

19. EARNINGS IN FOREIGN CURRENCY

	<i>(Rupees in thousands)</i>	
	March 31, 2010	March 31, 2009
Revenues from software development	3,487,753	3,621,02

20. SEGMENT REPORTING

(i) The Company recognizes software service as its only primary segment since its operations predominantly consists of providing a comprehensive range of IT solutions, including software development, packaged software integration, system maintenance and engineering design services to its worldwide customers operating in different industries. Accordingly, Software service revenue comprises the primary basis of segmental information set out in these financial statements. The company significantly operates in North America and hence there is no reportable geographical segment.

(ii) As part of secondary reporting, revenues are attributed to geographical areas based on the location of the customers as detailed below:

	<i>(Rupees in thousands)</i>	
	Revenue from geographic segments year ended March 31, 2010	Revenue from geographic segments year ended March 31, 2009
North America	3,458,728	3,570,750
Others	94,549	179,340
Total	3,553,277	3,750,090

Note: The Company does not track its assets and liabilities by geographical area.

21. EARNINGS PER SHARE (EPS)

The components of basic and diluted earnings per share were as follows:

	Year ended March 31, 2010	Year ended March 31, 2009
Equity shares of par value Rs. 10/- each.		
Basic		
Profit after tax (Rs. in million)	(790)	249
Weighted average outstanding equity shares (Nos. in thousands)	372,127	367,903
Earning per share (Rs.)	(2.12)	0.68
Diluted		
Profit after tax (Rs. in million)	(790)	249
Add: Interest expenses on FCCB (Rs. in million)	47.6	51.3
Less: Tax relating to Interest expense	54	58
Profit after tax (Rs. in million)	(748)	294
Weighted average outstanding equity shares (Nos. in thousands)	372,127	367,903
Dilutive effect of FCCBs outstanding (Nos. in thousands)	86,022	86,022
Weighted average outstanding equity shares (Nos. in thousands)	458,149	453,925
Earning per share (Rs.)	(1.63)	0.65

22.The company had transactions with the following related parties:

Subsidiaries: MGL Americas Inc., USA, Mascon International Limited, Mauritius, Versatech Consulting, Inc., USA, E-Businessware, Inc., USA, Jass & Associates Inc., and Mascon Global (Europe) Limited, UK.

Associates: Ucal Machine Tools Limited, India and Minica Real Estates Private Limited, India.

Key Management Personnel: Mr. K.Chandra, and Mr. M.Srinivasan [November 1, 2009 to January 31, 2010] (Previous year Mr. K. Chandra).

Related party transactions during the year

Particulars	Subsidiaries	Associates	Key Management Personnel	(Rupees in thousands)
				Total
Revenue	554,724 (1,059,434)	Nil (Nil)	Nil (Nil)	554,724 (1,059,434)
Other Income	Nil (Nil)	Nil (1,000)	Nil (Nil)	Nil (1,000)
Reimbursement of expenses(Net)	4,969 (16,297)	Nil (Nil)	Nil (Nil)	4,969 (16,297)
Remuneration	Nil (Nil)	Nil (Nil)	3,527 (2,040)	3,527 (2,040)
Rent paid	Nil (Nil)	Nil (Nil)	3,600 (3,600)	3,600 (3,600)
Investments made	243,143 (67,805)	Nil (Nil)	Nil (Nil)	243,143 (67,805)
Loans & Advances made	4,698 (23,073)	Nil (Nil)	Nil (1,200)	4,698 (24,273)
Loans & Advances received back	Nil (52,844)	Nil (Nil)	Nil (Nil)	Nil (52,844)
Unsecured Loan re-paid	Nil (Nil)	Nil (2,500)	Nil (Nil)	Nil (2,500)
CLOSING BALANCES				
Sundry Debtors	2,009,773 (2,400,743)	Nil (Nil)	Nil (Nil)	2,009,773 (2,400,743)
Loans & Advances	878,718 (986,764)	4,172 (4,172)	3,000 (3,000)	885,890 (993,936)
Sundry Creditors	Nil (Nil)	Nil (Nil)	2,342 (1,389)	2,342 (1,389)

Previous year figures are shown within brackets.

23. Gratuity and Leave encashment (Rs. in Thousands):

	GRATUITY (FUNDED)		LEAVE ENCASHMENT (UNFUNDED)	
	Current Year	Previous Year	Current Year	Previous Year
Reconciliation of opening and closing balances of Defined Benefit obligations				
Present value of obligations at the beginning of the year	18,326	12,966	14,216	10,176
Current Service Cost	4,334	1,037	2,212	7,727
Interest Cost	1,466	4,184	986	731
Benefits Paid	-	(648)	(3,786)	-
Actuarial Gain/(Loss)	(6,220)	787	(567)	(4,418)
Present value of obligations at the end of the year	17,906	18,326	13,061	14,216
Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at the beginning of the year	1,153	1,693	-	-
Expected return on plan assets	98	102	-	-
Contributions	-	6	-	-
Benefits paid	-	(648)	-	-
Actuarial Gains/(Loss)	-	-	-	-
Fair value of plan assets at the end of the year	1,251	1,153	-	-
Reconciliation of fair value of assets and obligations				
Fair value of plan assets	1,251	1,153	-	-
Fair value of obligations	17,907	18,326	13,061	14,216
Amount recognized in Balance Sheet	16,656	17,173	13,061	14,216
Expenses recognized in Profit and Loss Account				
Current Service Cost	4,334	4,185	2,212	7,727
Interest Cost	1,466	1,150	986	731
Expected return on plan assets	(98)	(102)	-	-
Actuarial gain/(Loss)	(6,220)	(728)	(567)	(4,418)
Net Cost	(518)	4503	2,631	4,040
Actuarial Assumptions (Mortality Table: LIC)				
Discount Rate	8%	8%	8%	8%
Expected return on plan assets	8%	8%	Nil	Nil
Rate of Escalation in Salary	4.5%-6%			

24. Previous year figures have been regrouped and reclassified, wherever necessary, to facilitate comparison to the current year's figures.

25. Figures have been rounded off to the nearest thousands.

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanyan

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration Number	L45202TN1991PLC046402
State Code Number	18
Balance Sheet Date	March 31, 2010

II. Capital Raised During the Year (Rs. in Thousands)

Public Issue / GDR Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilization and Deployment of Funds (Rs. in Thousands)

Total Liabilities	11,405,834
Total Assets	11,405,834

Source of Funds

Paid-up capital	3,721,270
Reserves & surplus	3,534,872
Secured loans	1,839,776
Unsecured loans	2,309,916
Deferred tax liability (net)	-

Application of Funds

Net fixed assets	104,281
Investments	7,865,375
Net current assets	3,279,342
Miscellaneous expenditure	154,875
Accumulated losses	1,961

IV. Performance of Company (Rs. in Thousands)

Turnover	3,553,277
Total expenditure	4,349,680
Profit before tax	(796,403)
Profit after tax	(789,919)
Earning per share Basic (in Rs.)	(2.12)
Dividend	Nil

V. Generic names of Three Principal Products / Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	852423.01
Product description	Computer Software

For and on behalf of the Board of Directors

K.Chandra
Chairman

K.R.Paramesvar
Director

Place: Chennai
Date: December 4, 2010.

S. Sivakumar
Company Secretary / Chief Compliance officer

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

NAME OF THE SUBSIDIARY COMPANY	(Rupees in thousands)									
	Mascon International Limited, Mauritius	MGL Americas Inc., USA	Mascon Global (Europe) Limited, U.K.	Mascon Global information S. DE. RL. DE. C Mexico	Versatech Consulting Inc., USA	Jass & Associates Inc., USA.	Mascon Global GmbH, Germany	Ebusinessware Inc., USA	Ebusinessware India Private Limited	Ebusinessware Singapore PTE Limited
1 Financial year of the subsidiary ended on	31-Mar-2010	31-Mar-2010	31-Dec-2009	31-Dec-2009	31-Mar-2010	31-Mar-2010	31-Dec-2009	31-Mar-2010	31-Mar-2010	31-Mar-2010
2 Shares of subsidiary company held on the above date and extent of holding:										
a. Share Capital	334,950	1,657,819	273,203	238	52,389	18,495	238	238,547	42,780	2,867
b. Extent of holding	100%	100%	100%	100%	100%	100%	100%	100%	Nil	Nil
3 Net aggregate amount of profits/(losses) of the subsidiary for the above financial year so far as they concern members of Mascon Global Limited.							The Company is yet to commence commercial operations.			
a. Dealt within the accounts of Mascon Global Limited.	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil	Nil
b. Not dealt within the accounts of Mascon Global Limited.	(238)	(59,167)	13,235	Nil	(12,657)	6,437	NA	(135,472)	18,619	23,925
4 Net aggregate amount of profits/(losses) of the subsidiary for the previous financial years so far as they concern members of Mascon Global Limited.							The Company is yet to commence commercial operations.			
a. Dealt within the accounts of Mascon Global Limited.	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil	Nil
b. Not dealt within the accounts of Mascon Global Limited.	(328)	(36,560)	(35,094)	(15,565)	(36,028)	306,509	NA	141,024	50,141	16,659
5 a. Change in holding company's interest in the subsidiaries between the end of financial year or the last of the financial years of subsidiary and the end of the holding company's financial year.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
b. Material change between the end of the financial year of the subsidiary company and the company's financial year ended i.e. March 31, 2010										
i. Fixed assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii. Investments										
iii. Money lent										
iv. Money borrowed other than those for meeting current liabilities										

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanian

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

DISCLOSURE OF INFORMATION RELATING TO SUBSIDIARY COMPANIES

(Rupees in thousands)

Particulars	Mascon International Limited	MGL Americas Inc.,	Mascon Global (Europe) Limited	Mascon Global Information S.DE.RL.DE.C.V.	Versatech Consulting Inc.,	Jass & Associates Inc., USA.	Mascon Global GmbH.	E-businessware Inc., USA	Ebusinessware India Private Limited	Ebusinessware Singapore PTE Limited.
1 Financial year ended	31-Mar-10	31-Mar-10	31-Dec-09	31-Dec-09	31-Mar-10	31-Mar-10	31-Dec-09	31-Mar-10	31-Mar-10	31-Mar-10
2 Country of incorporation	Mauritius	USA	U.K.	Mexico	USA	USA	Germany	USA	India	Singapore
3 Share capital	334,950	1,657,819	273,203	238	52,389	18,495	238	238,547	42,780	2,867
4 Reserves	-	-	4,995	-	-	116,764	-	(342,290)	291,605	146,675
5 Currency Translation Reserve	92	15,994	(174,635)	1,734	66,936	(210,785)	-	235,086	(137,025)	(88,339)
6 Loan Funds	-	523,516	1684,809	-	8,247	127,626	-	-	-	-
7 Current liabilities & provisions	1,851	2,380,324	60,688	8,480	438,358	599,417	-	262,596	79,818	39,320
8 Total Liabilities	336,893	4,577,653	1,849,060	10,452	565,930	651,517	238	393,939	277,178	100,523
9 Net fixed assets	-	9,173	818	-	-	1,386	-	6,976	42,248	575
10 Investments	312,170	1,187,339	1,678,160	-	-	-	-	45,646	-	-
11 Current assets, loans & advances	411	2,738,983	158,328	1,285	521,569	629,544	-	207,667	234,930	99,948
12 Miscellaneous Expenditure (to the extent not written of or adjusted)	22,088	499,743	1,1754	-	-	20,587	238	125,584	-	-
14 Deferred Tax Assets	-	(1,377)	-	-	-	-	-	8,066	-	-
13 Debit balance in Profit & Loss a/c	2,224	143,792	-	9,167	44,361	-	-	-	-	-
14 Total Assets	336,893	4,577,653	1,849,060	10,452	565,930	651,517	238	393,939	277,178	100,523
15 Revenue/Income	-	3,369,114	38,211	-	947,637	2,318,248	-	879,633	341,777	310962
16 Profit/(Loss) before taxation	(238)	(25,676)	13,235	-	(3,953)	(265,412)	-	(133,143)	19,772	27,253
17 Provision for taxation	-	33,491	-	-	8,704	-	-	2,329	1,153	3,327
18 Profit/(Loss) after taxation	(238)	(59,167)	13,235	-	(12,657)	(265,412)	-	(135,472)	18,619	23,926
19 Proposed Dividend	-	-	-	-	-	-	-	-	-	-
20 Details of Investment										
Long-term quoted	-	-	-	-	-	-	-	-	-	-
Long-term,	-	-	-	-	-	-	-	-	-	-
Unquoted – Subsidiaries	-	1,302	-	-	-	-	-	45,646	-	-
Advance towards acquisition of shares of a company	312,170	1,186,037	1,678,160	-	-	-	-	-	-	-

Mascon Global Limited
Consolidated Balance Sheet as at March 31, 2010

(Rupees in thousands)

	SCHEDULE	MARCH 31, 2010	MARCH 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	3,721,270	3,721,270
Currency Translation Reserve		(395,942)	6,328
Reserves and surplus	2	3,681,281	4,837,738
		7,006,609	8,565,336
LOAN FUNDS			
Secured loans	3	2,499,164	2,956,261
Unsecured loans	4	2,309,916	2,593,912
Deferred tax liability (Net)		(6,689)	10,951
		11,809,000	14,126,460
APPLICATION OF FUNDS			
Fixed assets:	5		
Original cost		4,813,156	4,806,353
Accumulated depreciation		219,752	192,506
Net book value		4,593,404	4,613,847
Add: capital work in progress		69,068	306,102
		4,662,472	4,919,949
INVESTMENTS	6	4,604,992	4,305,051
CURRENT ASSETS, LOANS AND ADVANCES			
Accounts receivable	7	3,814,003	3,625,740
Cash and bank balances	8	209,859	382,581
Loans and advances	9	1,416,086	2,585,974
		5,439,948	6,594,295
CURRENT LIABILITIES AND PROVISIONS	10	(3,733,043)	(3,146,409)
Net Current Assets		1,706,905	3,447,886
MISCELLANEOUS EXPENDITURE	11	834,631	1,453,574
(to the extent not written off or adjusted)			
		11,809,000	14,126,460
Notes to the financial statements	18		

The Schedules 1 through 11 and 18 referred to above form an integral part of the Balance sheet referred to in our report of even date.

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanian

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

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

		(Rupees in thousands)	
		YEAR ENDED	YEAR ENDED
	SCHEDULE	MARCH 31, 2010	MARCH 31, 2009
Revenues	12	10,208,785	11,743,390
Cost of Revenue	13	8,338,707	9,102,908
Gross Profit		1,870,078	2,640,482
Interest and other income	14	8,534	22,553
Expenditure			
Selling, general and administration expenses	15	1,933,189	1,346,353
Interest and finance charges	16	445,431	418,941
Depreciation		28,123	24,119
Miscellaneous expenditure written off		281,606	203,138
		2,688,349	1,992,551
Profit before prior year adjustment and Tax		(809,737)	670,484
Prior year adjustment	17	376,736	-
Provision for taxation			
- Current tax		53,212	71,937
- Previous year tax		4,293	-
- Fringe benefit tax		-	4,796
- Deferred tax		(14,983)	(4,551)
Profit after tax		(1,228,995)	598,302
Profit & Loss account, beginning of the year		1,375,404	777,102
Profit & Loss account, end of the year		146,409	1,375,404
Equity shares of par value Rs. 10/- each.			
Earning per share			
Basic		(3.30)	1.63
Diluted		(2.59)	1.42
No. of shares used in computing earnings per share(in thousands)			
Basic		372,127	367,903
Diluted		458,149	453,925

Notes to the financial statements **18**

The Schedules 12 through 18 referred to above form an integral part of the Profit & Loss account referred to in our report of even date.

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanyan

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

Mascon Global Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
Cash flow from operating activities:		
Net profit before interest and tax	(782,106)	1,038,588
Depreciation	28,124	24,119
Bad Debts written off	102,100	1,693
Provision for doubtful debts & advances	339,382	-
Loss on sale of fixed assets	200	(7,995)
Miscellaneous expenses written off	281,607	203,138
Increase in Deferred assets	(2,658)	3,448
Decrease / (Increase) in sundry debtors	(709,006)	(911,792)
(Increase)/Decrease in loans and advances	1,046,343	(1,696,508)
Increase/(Decrease) in current liabilities and other provisions	601,669	1,678,512
(Increase)/Decrease in miscellaneous expenditure	337,336	(595,751)
Income taxes paid	(49,464)	(31,434)
Net cash flow from operating activities	1,193,527	(293,982)
Cash flow from investing activities		
Purchase of fixed assets	(159,577)	(62,436)
Decrease/(Increase) in Capital work in progress	237,034	(2,595)
Proceeds from sale of fixed assets	1,696	26,851
Purchase of Investments	(299,942)	(918,486)
Dividend income received	26	36
Interest income received	1,748	5,156
Net cash used for investing activities	(219,015)	(951,474)
Cash flow from financing activities		
Proceeds from allotment of equity shares	-	91,000
Increase/(Decrease) in secured loan	(457,096)	910,446
Increase/(Decrease) in unsecured loan	(283,995)	627,912
Interest expenses paid	(406,142)	(373,295)
Net cash flow from financing activities	(1,147,233)	1,256,063
Net increase in cash and cash equivalents during the year	(172,721)	10,606
Cash and cash equivalents at the beginning of the year	382,580	371,974
Cash and cash equivalents at the end of the year/period	209,859	382,580

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

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanyan

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

Mascon Global Limited
Schedules to the consolidated Balance Sheet as at March 31, 2010

(Rupees in thousands)

	As at March 31, 2010	As at March 31, 2009
1. Share capital		
Authorized 700,000,000		
[Previous Year - 700,000,000] Equity Shares of Rs. 10 each	7,000,000	7,000,000
	7,000,000	7,000,000
Issued, subscribed and paid-up		
372,127,045[Previous Year -372,127,045] Equity shares of Rs. 10 each		
(Of the above, 15,662,400 Equity shares were allotted during the year 2000 as fully paid up, by issue of bonus shares by capitalizing share premium and surplus in the profit and loss account. During March 2002, November 2004, March 2006, June 2007, March 2008, January 2009 & February 2009 2,880,000, 16,594,380, 32,967,032, 26,000,000, 40,000,000, 5,029,240 & 292,398 equity shares respectively were allotted for consideration other than cash)	3,721,270	3,721,270
	3,721,270	3,721,270
2. Reserves and surplus		
Capital reserve		
Share warrant forfeiture		
Balance beginning of the year	203,190	203,190
Received during the year	72,538	-
Balance end of year	275,728	203,190
Securities Premium		
Balance beginning of the year	3,259,143	3,211,249
Received during the year	-	47,894
Amortization of Issue expenses	-	-
Balance end of year	3,259,143	3,259,143
Profit & Loss account	146,409	1,375,404
3. Secured loans	3,681,281	4,837,737
Term Loans		
ICICI Bank Limited		
Term Loans	189,164	195,313
Deferred Interest	11,775	13,820
Interest accrued & due	56,121	36,989
Oriental Bank of Commerce Limited		
Funded Interest	19,653	21,453
State Bank of India		
Term Loans	720,939	736,190
Interest accrued & due	21,576	10,108
Bank of India		
Term Loans	-	299,948
Interest accrued & due	-	3,291
Laurus Master fund USA		
Term Loan	266,446	374,840
Working Capital Loans		
ICICI Bank Limited - Cash credit	80,102	59,604
State Bank of India - Cash credit	589,965	310,450
SBI Global Factors Limited – Bills Discounting	145,667	124,319
Laurus Master fund USA	257,070	747,384
Capital Temp fund USA	8,247	16,341
Bridge bank Inc., USA	127,626	-
Others		
Hire purchase loans from banks and financial companies	4,813	6,211
	2,499,164	2,956,261
4. Unsecured loans		
Foreign Currency Convertible Bond	2,257,000	2,547,500
Inter Corporate Deposit	40,000	40,000
Interest accrued and due on the above loan	12,916	6,412
	2,309,916	2,593,912

5 FIXED ASSETS

(Rupees in thousands)

Particulars	ORIGINAL COST				DEPRECIATION				WDV AS AT	
	April 1, 2009	Additions	Deletions	March 31, 2010	April 1, 2009	For the year	Deletions	March 31, 2010	March 31, 2010	March 31, 2009
Goodwill	4,500,054	-		4,500,054	-			-	4,500,054	4,500,054
Computer hardware	182,874	2,886	1,812	183,948	121,825	19,352	358	140,819	43,129	61,049
Furniture and fittings	64,115	4,600	-	68,715	37,507	4,687	-	42,194	26,521	26,608
Office equipment	42,649	2,090	214	44,525	25,707	2,520	-	28,227	16,298	16,942
Motor vehicles	16,661	-	748	15,913	7,467	1,564	520	8,511	7,402	9,194
Total	4,806,353	9,576	2,774	4,813,155	192,506	28,123	878	219,751	4,593,404	4,613,847
Previous Year	3,527,188	1,318,711	39,546	4,806,353	189,077	24,119	20,690	192,506	4,613,847	

CAPITAL WORK IN PROGRESS

(NET OF PROVISIONS) *

69,068 306,102

GRAND TOTAL

4,662,472 4,919,949

Note : Motor vehicles include assets acquired on hire purchase aggregating to Rs. Nil/- (previous year Rs. 7,329,424).

(Rupees in thousands)

	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
6 INVESTMENTS		
LONG-TERM, QUOTED		
Hexaware Technologies Limited 220 Equity Shares of face value of Rs 2(Rs.10) each, fully paid up (Market value Rs. 15,026 [previous year Rs. 5,731])	2	2
Aptech Limited 66 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 11,055 [previous year Rs. 5,498])	3	3
Mphasis BFL Limited 200 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs 124,070 [previous year Rs. 39,840])	14	14
BHEL Limited 200 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs 477,090 [previous year Rs. 601,740])	34	34
DSQ Software Limited 100 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 669 [previous year Rs. 669])	4	4
ONGC Limited 150 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 164,775 [previous year Rs. 116,955])	27	27
Pentamedia Graphics Limited 110 Equity Shares of face value of Rs 1 each, fully paid up (Market value Rs. 285 [previous year Rs. 152])	5	5
PVP Ventures Limited (Software Solutions Integrated Limited) 50 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 873 [previous year Rs. 5,015])	9	9
Sonata Software Limited 1000 Equity Shares of face value of Rs. 1 each, fully paid up (Market value Rs. 56,650 [previous year Rs. 15,950])	17	17

	AS AT MARCH 31, 2010	(Rupees in thousands) AS AT MARCH 31, 2009
Infosys Limited 280 Equity Shares of face value of Rs. 5 each, fully paid up (Market value Rs. 732,228 [previous year Rs. 370,748])	277	277
NIIT Limited 300 Equity Shares of face value of Rs. 2 each, fully paid up (Market value Rs. 17,295 [previous year Rs. 6,075])	64	64
NIIT Technologies Limited 90 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 15,323 [previous year Rs. 4,775])	95	95
PSI Data Systems Limited 60 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 2,841 [previous year Rs. 2,841])	66	66
Satyam Computers Limited 1000 Equity Shares of face value of Rs 2 each, fully paid up (Market value Rs. 92,600 [previous year Rs. 38,350])	321	321
Megasoft Limited (Visual Software Limited) 93 Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 2,172 [previous year Rs. 8,384])	386	386
WIPRO Limited 600 Equity Shares of face value of Rs. 2 each, fully paid up (Market value Rs. 424,080 [previous year Rs. 147,240])	334	334
IOL Netcom Limited 53,168 (99,668) Equity Shares of face value of Rs 10 each, fully paid up (Market value Rs. 1,898,675 [previous year Rs. 3,702,666])	2,347	4,503
	4,237	6,393
Others Advances towards acquisition of shares of companies	4,600,755	4,298,658
	4,604,992	4,305,051
7 ACCOUNTS RECEIVABLE Exceeding six months – unsecured		
Considered good	884,798	1,161,507
Considered doubtful	838,252	821,879
Others – unsecured		
Considered good	2,929,205	2,464,233
	4,652,255	4,447,619
Less: Provision for doubtful debts	838,252	821,879
	3,814,003	3,625,740
8 CASH AND BANK BALANCES		
Cash on hand	3,581	3,348
Balances with scheduled banks		
in current accounts	2,119	150,156
in deposit accounts	5,978	6,183
Balances with non scheduled bank	198,181	222,894
	209,859	382,581
9 LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Net of provisions	636,820	1,649,463
Loans and advances to employees	81,730	32,366

(Rupees in thousands)

	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
Deposits with the government and other agencies	26,946	17,258
Rent deposits	372,835	731,381
Advance Income-tax	139,142	89,678
Prepaid expenses	158,613	65,828
	1,416,086	2,585,974
10 CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Accounts payable	3,153,916	2,815,494
Due to Directors	2,342	1,389
Interest accrued but not due on Loans	15,180	15,374
Share Warrant Account	-	72,539
Other liabilities	85,384	33,718
	3,256,822	2,938,514
Provisions		
Taxation	442,398	172,329
Gratuity	17,026	17,614
Leave encashment	13,061	14,216
Provision for post sales customer support	3,736	3,736
	3,733,043	3,146,409
11 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Development expenditure	161,372	199,964
Deferred revenue expenditure	657,669	864,277
Foreign Currency Monetary item Translation Difference Account	15,590	389,333
	834,631	1,453,574

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in thousands)

	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
12 REVENUES		
Software development		
Overseas	10,143,261	11,614,321
Domestic	65,524	129,069
	10,208,785	11,743,390
13 COST OF REVENUES		
Salaries and allowances	3,421,683	3,942,161
Contribution to employee provident fund and other benefit plans	117,823	128,917
Staff welfare expenses	104,235	122,687
Software license costs	9,524	5,077
Outsourcing Cost	4,556,488	4,676,532
Traveling expenses	65,315	122,291
Electricity charges	33,774	43,877
Communication expenses	28,749	50,618
Recruitment expenses	953	5,274
Staff training expenses	163	5,474
	8,338,707	9,102,908
14 INTEREST AND OTHER INCOME		
Interest earned	1,748	5,156
Income from training activities	367	738
Profit on sale of Fixed Assets	-	8,016
Dividend received	26	36
Miscellaneous income	6,393	8,607
	8,534	22,553

(Rupees in thousands)

	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
15 SELLING, GENERAL AND ADMINISTRATION EXPENSES		
Salaries & allowances	373,994	450,573
Contribution to employee provident fund and other benefit plans	25,953	36,156
Staff welfare expenses	27,425	26,099
Rent	151,558	201,817
Rates and taxes	7,809	3,194
Insurance	59,257	146,678
Outsourcing Cost	14,895	331,249
Legal and professional charges	82,530	76,923
Travel and conveyance	41,681	79,819
Marketing and sales promotion expenses	149,150	76,616
Exchange difference	384,068	(252,257)
Printing and stationery	9,873	16,731
Repairs and maintenance		
Machinery	3,447	5,699
Others	13,056	25,695
Loss on sale of Investments	200	21
Membership and subscription	792	1,495
Donation	22	7,044
Bad Debts written off	102,100	1,693
Provision for bad & doubtful debts	207,075	-
Provision for bad & doubtful advances	132,307	-
Miscellaneous expenses	145,997	111,108
	1,933,189	1,346,353
16 INTEREST AND FINANCE CHARGES		
Interest on term loans	161,927	113,915
Interest on working capital loans	148,725	135,645
Interest on bill discounting Loans	65,358	27,865
Interest on hire purchase loans	-	170
Lease Rentals	39,288	45,646
Bank charges	11,620	25,311
Others	18,513	70,389
	445,431	418,941
17 PRIOR YEAR ADJUSTMENTS		
Credit		
Excess provisions written back	18,852	-
Debit		
Marketing and sales promotion expenses	395,588	-
	376,736	

18. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The consolidated financial statements of Mascon Global Limited (The Reporting Company) and its Wholly Owned Foreign Subsidiaries are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) applicable in India and the Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the parent company (Mascon Global Limited) for its separate financial statements.

The financial statements of the subsidiaries are prepared for the period of 12 months ended March 31, 2010 to align with that of the parent company, Mascon Global Limited.

The financial statements of subsidiaries have been combined in full on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transaction and resulting unrealized profits are eliminated unless cost cannot be recovered.

Goodwill has been recorded to the extent the cost of acquisition, comprising purchase consideration and transaction cost, exceed the fair value of the net assets in the acquired company and will be tested for impairment on an annual basis. Exchange difference resulting from the difference due to translation of foreign currency assets and liabilities in subsidiary is disclosed as Currency translation reserve.

2. Companies included in Consolidation

The consolidated financial statements include the results of the following companies:

S. NO.	NAME OF THE COMPANY	COUNTRY	INTEREST
1.	MGL AMERICAS, INC	USA	100%
2.	MASCON INTERNATIONAL LIMITED	MAURITIUS	100%
3.	MASCON GLOBAL INFORMATION DE RL DE CV	MEXICO	100%
4.	MASCON GLOBAL GMBH	GERMANY	100%
5.	MASCON GLOBAL (EUROPE) LIMITED	UNITED KINGDOM	100%
6.	VERSATECH CONSULTING, INC	USA	100%
7.	E BUSINESSWARE, INC.,	USA	100%
8.	E BUSINESSWARE INDIA (PRIVATE) LIMITED	INDIA	100%
9.	E BUSINESSWARE SINGAPORE PTE LIMITED	SINGAPORE	100%
10.	JASS & ASSOCIATES, INC.,	USA	100%

The subsidiary company at Germany is yet to commence its commercial operations.

3. Accounting policies

The accounting policies of the Reporting Company and that of its Subsidiaries are similar. The accounting policies of all the companies included in consolidation are in line with generally accepted accounting principles in India.

4. Reserves & Surplus

The Company has issued 43,500,000 share warrants at Rs.19 per share (including premium), during January 2008 with the option of conversion in to equity shares of the Company. The Company had received Rs. 82.7 million being 10% upfront payment. In view of non-exercising of the conversion option by payment of the balance amount within in the stipulated period, the Company had forfeited to the extent of 38.18 million share warrants and the amount towards upfront payment of Rs. 72.54 million has been transferred to Capital Reserves during the year.

5. Secured Loans

Working capital facilities obtained from ICICI Bank Limited is secured by a first charge on the current assets, a collateral security of the fixed assets and a personal guarantee by Chairman.

Term loan obtained from ICICI Bank Limited is secured by a first charge on the fixed assets and a charge on the current assets, collateral security of equity shares of the Company held by third parties, immovable property held by third parties and personal guarantee by the Chairman and a third party.

Term loan obtained from Oriental Bank of Commerce Limited is secured by a second charge on the assets of the Company, collateral security of Equity Shares held by third party and a personal guarantee by Chairman.

Term Loan availed from the State Bank of India is secured by a third charge on the assets of the Company, collateral security of immovable property and equity shares of the Company held by Chairman of the company and personal guarantee by the Chairman.

Working capital facilities obtained from State Bank of India is secured by a pari passu charge on current assets with ICICI bank Limited, Collateral security of immovable property of another Company along with the existing collateral security given to the Term Loan.

Bills discounting facility obtained from SBI Global Factors Limited secured by personal guarantee given by the Chairman of the Company.

Loans obtained from banks / finance companies for the purpose of acquiring assets on hire purchase are secured by assets acquired.

Credit facilities availed by MGL Americas Inc., USA from Laurus Master Fund USA, includes Term loan of \$ 5.9 million and working capital limit of \$ 7.0 million are secured against receivables of the Company and further secured by immovable property held by third party and personal guarantee by the Chairman.

Credit facilities availed by Versatech Consulting Inc., USA from Capital Temp Fund for working capital limit of \$ 5.0 million are secured against receivables of the Company and further guaranteed by MGL Americas Inc., USA.

Credit facilities availed by Jaas & Associates Inc., USA from Bridge bank Inc., for working capital limit of \$ 6.0 million are secured against receivables of the Company .

Loans obtained from banks / finance companies for the purpose of acquiring assets on hire purchase are secured by assets acquired.

6. Unsecured Loans

The company has issued 2% Foreign Currency Convertible Bonds (FCCBs) for \$ 50 million (Rs. 2547 million) during December 2007 for a period of five years as per the Reserve Bank of India (RBI) guidelines and are due on December 28, 2012 with the option for

consideration into 21,505,434 global depository receipts (GDRs) each representing 4 shares of Rs. 10 each or 86,021,736 Equity Shares of the Company.

7. Fixed Assets & Capital work-in-progress

a. The company has provided certain fixed assets on long term, cancelable lease to a company, and as per the terms, the same is closed during the year.

b. The company had taken assets on non-cancelable operating lease for three years. Lease payments are recognised as an expense in the Profit & Loss account on straight-line basis, the future rental obligations are Rs. 19.26 million (previous year Rs. 49.27 million). The future minimum lease rental obligation for less than a year is Rs.19.26 million (previous year Rs.30 million) and more than a year up to three year is Rs. Nil (previous year Rs. 19.26 million).

c. Capital work in progress (CWIP) includes advances of Rs. 429.07 million (previous year Rs 429.07 million) paid towards acquisition of property and for the development of software facilities of the Company. A provision of Rs 360 million (previous year Rs. 210 million) has been made towards balances considered doubtful of recovery. This provision is considered adequate.

8. Investment

The Company has paid additional sum of \$ 2,921,560 towards performance incentive for the period 2008 to 2010 to employees in one of the subsidiaries engaged in Information Technology Services in financial sector. The principal shareholder of the acquired subsidiary has made claims for about \$ 4 million to be settled in the form of issue of shares of the company towards balance payable on the acquisition of that company and the same is under dispute. No further provision for the acquisition of the Company has been made in the accounts. One of the acquired subsidiary engaged in ERP solutions, has shown improved performance since 2008 and arising out of their improved performance, an estimated sum of \$ 8 million has been provided in one of the subsidiary's profit and loss account for the year, towards this additional incentive payable.

9. Accounts receivables

During the year the company made additional provision for Rs.16.37 million towards doubtful Accounts receivables. Total provision available as on date is Rs. 838.25 million (previous year Rs. 821.9 million), which is considered adequate.

Letters of confirmation of balances from several parties have not been received and hence the balances (debit/credit) are subject to adjustments, if any, on reconciliation / settlement of accounts.

10. Current assets, loans and advances

During the year the Company made provision for Rs.132.31 million (previous year Nil) being provision made for doubtful advances which is considered adequate.

11. Accounts payable

i. Petition for winding of the Company has been filed by one of the Secured Creditors. The company is contesting this petition and negotiating for settling this, out of court.

ii. In respect of services rendered by one of the overseas vendor the expenses charged to accounts are subject to confirmation with adequate documentation. The company is in the process of tying up the requisite documents.

12. Miscellaneous expenditure

Development expenditure

Development expenditure consists of the following:

- Expenditure on Life Science division, amounting to Rs. 29.65 million is being amortised over a period of 5 years from 2007-08. Accordingly Rs. 5.93 million (previous year Rs. 5.92 million) has been written off during the year.

- Development expenditure on Center of Excellence amounting to Rs.147.33 million is being amortised over a period of 5 years from 2009-10. Accordingly Rs. 29.47 million (previous year Rs. Nil) has been written off during the year.

- Expenditure on Oracle financial package, amounting to Rs.16 million, is being amortised over a period of 5 years from the current year. Accordingly Rs. 3.2 million (previous year Rs. 3.2 million) has been written off during the year.

- Development cost of ERP package, amounting to Rs. 22.1 million (previous year Rs. 22.1 million) (\$ 0.5 million) which will be amortized over a period of 20 years, from the date when the assets is ready for use/sale.

Deferred revenue expenditure

- Consideration paid to acquire contracts from companies amounting to Rs. 119.67 million (\$ 28.8 million) being amortized over a period of 7years, accordingly Rs.173.5 million (\$ 3.7 million) (previous year Rs.173.5 million) has been written off during the year.

- The Company acquired the IP license and support contracts as part of the settlement agreement entered with them during Jan-2009. Consequent to the settlement the company capitalized the costs of Rs.144.5 million (\$ 3.1 Million), owed to it for previous services rendered in association with the contracts which will be amortised over a period of 5 years. During the year Rs. 29.6 million (\$ 0.99 million) was amortised.

Foreign Currency Monetary item Translation Difference Account:

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary item in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Government of India on 31st March 2009. Accordingly the company has during the financial year 2008-09 accumulated on account of the Exchange Difference on Long Term foreign Currency Monetary Liability, under "Foreign Currency Monetary item Translation Difference Account" in the Balance sheet. This is being amortised over a period of 3 years commencing from the financial year 2008-09. Accordingly an amount of Rs.83.24 million (previous year Rs.194.67) lakhs has been written off during the year to the Profit and Loss account included under Exchange difference account.

13. Provisions for Taxation

The Company is a 100% Export Oriented Unit (EOU) registered with the Software Technology Parks of India (STPI) and avail the tax exemptions available to it under section 10A of the Income Tax Act 1961, to the extent applicable. The provision for Current Tax (based on Minimum Alternate Tax) and Fringe Benefits Tax, for the year, has been made as per the provisions of Income Tax Act, 1961.

Income tax Department has raised demands of Rs. 9.74 million and Rs 57.84 million for the Assessment Year 2002-03 and 2006-07, due to certain disallowances, which are disputed by the company on Appeals. The Company has been advised of a fair chance of the appeal being allowed by the appellate authorities and hence no provision for the same has been made in the financial statements for the year.

14. Deferred Tax

Deferred Tax Liability (Net) comprises of the following: (Rupees in thousands)

	As at 31.3.2010	As at 31.3.2009
a) Deferred Tax Liability:		
Deferred Revenue Expenditure (Under Miscellaneous Expenditure)	44,416	19,663
b) Deferred Tax Assets:		
Depreciation differences	10,473	3,125
Income tax losses/disallowances*	40,632	-
Other Adjustments	-	1,332
Temporary timing differences	-	4,255
Total Deferred Tax Assets	51,105	8,712
Deferred Tax Liability (Net)	(6,689)	10,951

*Considered to the extent of prudence.

15. Contingent Liabilities not provided for

	(Rupees in thousands)	
	March 31, 2010	March 31, 2009
Bank Guarantees to Government Authorities	2,301	2,301
Guarantee given to a Bank on behalf of a Company	86,900	86,900
Estimated amount of contracts remaining to be executed on capital account	13,587	5,446
Current Liabilities taken over by Debtor*	326,516	366,418

* Statutory dues of the Company at USA for which a company director is pursuing early settlement.

16. Segment reporting

(i) The Company recognizes software service as its only primary segment since its operations predominantly consists of providing a comprehensive range of IT solutions, including software development, packaged software integration, system maintenance and engineering design services to its worldwide customers operating in different industries. Accordingly, Software service revenue comprises the primary basis of segmental information set out in these financial statements. The company significantly operates in North America and hence there is no reportable geographical segment.

(ii) As part of secondary reporting, revenues are attributed to geographical areas based on the location of the customers as detailed below (Rupees in thousands)

	Revenue from geographic segments year ended March 31, 2010	Revenue from geographic segments year ended March 31, 2009
North America	9,649,174	11,214,112
Others	559,611	529,278
Total	10,208,785	11,743,390

Note: The Company does not track its assets and liabilities by geographical area.

17. Earnings per Share (EPS)

The components of basic and diluted earnings per share were as follows

	Year ended March 31, 2010	Year ended March 31, 2009
Equity shares of par value Rs. 10/- each.		
Basic		
Profit after tax (Rs. In millions)	(1,229)	598.3
Weighted average outstanding equity shares (Nos. in thousands)	372,127	367,903
Earning per share (Rs.)	(3.30)	1.63
Diluted		
Profit after tax (Rs. In millions)	(1,229)	598.3
Add: Interest expenses on FCCB (Rs. In millions)	47.6	51.3
Less: Tax relating to Interest expense	54	58
Profit after tax (Rs. In millions)	(1,187)	644
Weighted average outstanding equity shares (Nos. in thousands)	372,127	367,903
Dilutive effect of FCCB outstanding (Nos. in thousands)	86,022	86,022
Weighted average outstanding equity shares (Nos. in thousands)	458,149	453,925
Earning per share (Rs.)	(2.59)	1.42

The Outstanding Warrants are anti dilutive and hence not considered for the purposes of computing diluted earning per share.

18. Disclosure in respect of Related Parties pursuant to Accounting Standard 18

a. List of related parties

Associates: Ucal Fuel Systems Limited, India, Ucal Machine Tools Limited, India, Minica Real Estates Private Limited, India and Minica Services Private Limited, India.

b. Directors and Key Management Personnel

Key Management Personnel: Mr. K.Chandra, and Mr. M.Srinivasan [November 1, 2009 to January 31, 2010] (Previous year Mr. K. Chandra).

Particulars	(Rupees in thousands)		
	Associates	Key Management Personnel	Total
Other Income	Nil (1,000)	Nil (Nil)	Nil (1,000)
Remuneration and reimbursement	Nil (Nil)	3,527 (2,040)	3,527 (2,040)
Rent paid	Nil (Nil)	3,600 (3,600)	3,600 (3,600)
Loans & Advances made	Nil (Nil)	Nil (1,200)	Nil (1,200)
Unsecured Loan re-paid	Nil (2,500)	Nil (Nil)	Nil (2,500)
Closing balances			
Loans & Advances	4,172 (4,172)	3,000 (3,000)	7,172 (7,172)
Sundry Creditors	Nil (Nil)	2,342 (1,389)	2,342 (1,389)

Previous year figures are shown within brackets.

19. Previous year figures have been regrouped and reclassified, wherever necessary, to facilitate comparison to the current year's figures.
20. Figures have been rounded off to the nearest thousands.

For and on behalf of the Board of Directors

G. Balu Associates

Firm Registration No. 0003765

Chartered Accountants

G. Balasubramanyan

Partner

Membership No. 7628.

K. Chandra

Chairman

K. R. Paramesvar

Director

Place: Chennai

Date: December 4, 2010.

S. Sivakumar

Company Secretary / Chief Compliance officer

Annual General Meeting Notice

NOTICE

19TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Mascon Global Limited will be held as scheduled below:

Day: Tuesday
Date: December 28, 2010
Time: 11.15 a.m.
Venue: "Senator Hall"
The Residency Towers
Sir Thyagaraya Road
T.Nagar
Chennai- 600 017

The Agenda for the Meeting is as follows:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the year ended on that date along with the Annexed schedules and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. K.R.Pamesvar, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION

"Resolved that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s G. Balu Associates, Chartered Accountants, Chennai, be and are hereby re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration to be fixed by the Board of Directors."

Special Business

4. Appointment of Director – Mr. M.Srinivasan

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION

"Resolved that Mr.M.Srinivasan, who was appointed as an Additional Director of the Company and who holds office as such until the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 80 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Director - Mr. Hendrikus Adrianus Alfonsus

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION

"Resolved that Mr. Hendrikus Adrianus Alfonsus, who was appointed as an Additional Director of the Company and who holds office as such until the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 80 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. Payment of Commission to Directors

To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION

"Resolved that in conformity with the provisions of Article 82 of the Articles of Association of the Company and pursuant to the provisions of Section 309(3)&(4) of the Companies Act, 1956, authority be and is hereby accorded for the payment of commission to the Directors of the Company of one percent of the net profit of the Company to the extent the same is in excess of Rupees Ten Million in each Financial Year (to be calculated in accordance with the provisions of Section 198, 349 and 350 of the Companies Act) over a period of five years from the financial year commencing April 01, 2010 up to and including the financial year ending as on March 31, 2015 to be divided between such Directors in such manner as the Board of Directors may from time to time determine."

7. Inter- Corporate Investments

To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION

"Resolved that pursuant to the provisions of Section 372A(1) and other applicable provisions, if any, of the Companies Act, 1956, or of any other law for time being in force and subject to the approval of the Reserve Bank of India (RBI) and such other approvals, as may be required from such other Government Body/Institutions, and subject to such conditions and modifications as may be required, which the Board be and is hereby authorized to accept, the consent, authority and approval of the Company be and is hereby accorded to incorporate one or more wholly owned subsidiaries in any part of the World as may be permitted from time to time by Government of India (GOI)

8. Issue of Securities by way of GDR /ADR / FCCB

To consider and if thought fit, to pass with or without modifications, the following resolutions as a SPECIAL RESOLUTION

"Resolved that pursuant to Section 81, 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, permissions and/or sanctions as may be necessary of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Stock Exchanges and any other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorized on behalf of the Company to issue/offer and allot Equity Shares/Convertible notes/Securities with or without detachable warrants/any Securities convertible into Equity Shares whether optionally or otherwise/Euro Convertible Bonds (ECBs)/Foreign Currency Convertible Bonds (FCCBs)/Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Secured Premium Notes (SPN), (hereinafter referred to as "Securities"), for an aggregate amount not exceeding \$150 Million with a green shoe option of 15 % or equivalent in Indian and/or in any other currency(ies) (inclusive of such premium, as may be fixed on such Equity Shares) or upto such limit as may be permitted by the Ministry of Finance or such other Authorities whichever is higher, directly to Indian or Foreign Investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise and whether or not such investors are shareholders, members, promoters, directors or their associates of the Company) through public issue(s), Rights issue(s), private placement(s), preferential allotment for cash or stock swap or acquisition of business at such time or times in such tranche or tranches, at such price or prices, in such manner and on such terms and conditions including security, rate of interest, etc. as may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead managers and Underwriters in US or overseas, so as to also enable the Company to get listed at NASDAQ and/or New York Stock Exchange and/or any of the overseas Stock Exchanges."

"Resolved further that the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues and subject to such conditions as the SEBI/GOI/RBI and such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."

"Resolved further that without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payment whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the securities."

"Resolved further that the Board is also entitled to enter into and execute all such arrangements/ agreement with any Lead managers/underwriters/guarantors/depositors/custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like."

"Resolved further that the Board be and is hereby also authorized subject to approval of the appropriate authorities to secure the entire or any part of the issue by creation of the mortgage/charge on the Company's immovable and movable properties present and future, such charge to rank either pari-passu with or second, subsequent subservient and subordinate to all the mortgages/charges created/to be created by the Company for all existing and future borrowings and facilities whatsoever in favour of banks/FIs/any other creditors/Guarantors."

"Resolved further that the Company and/or any agency or body authorized by the Company may issue Global Depository Receipt(s), Certificate(s) of Shares and/or other form of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and under the form and practices prevalent in the international markets."

"Resolved further that the Securities issued in international offering shall be deemed to have been made abroad in the markets and/or at the place of issue of the securities in international markets and shall be governed by English or American law, as the case may be."

"Resolved further that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any securities referred to in paragraph(s) above as may be necessary in accordance with the terms of the offering and all such shares to rank pari-passu with the existing Equity Shares of the Company in all respects, excepting such right as to dividend as may be provided under the terms of the issue and in the Offer Document in relation to such an issue."

"Resolved further that for the purpose of giving effect to any issue or allotment of Equity Shares or Securities representing the same, the Board or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceedings, as it may in its absolute discretion, deem fit and proper."

8. Issue of Securities by way of GDR /ADR / FCCB

"Resolved further that the Board be and is authorized to delegate all or any of the powers herein conferred to a Committee of the Board to give effect to the aforesaid resolution."

**By Order of the Board
For Mascon Global Limited**

**Place: Chennai
Date: December 04, 2010**

**S. Sivakumar
Company Secretary**

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. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Register of Members and share transfer books of the Company shall remain closed from December 24 to December 28 (both days inclusive).

3. Mr. M. Srinivasan joined the Board as a whole-time director of the Company w.e.f. October 31, 2009 and resigned from the Board w.e.f. January 28, 2010. He rejoined the Board as a non-executive director of the Company w.e.f. December 03, 2010. Mr. M. Srinivasan was appointed as an additional director of the Company in the Board Meeting held on December 03, 2010 and also a Non-Executive Director of the Company. The Company has received notice u/s. 257 of the Companies Act, 1956, for the appointment of Mr. M. Srinivasan, Non-Executive Director of the Company, who hold office until the date of the ensuing Annual General Meeting, pursuant to section 260 of the Companies Act, 1956. Mr. Hendrikus Adrianus Alfonsus was co-opted as additional director of the Company w.e.f. December 03, 2010 and also a Independent Director of the Company. The Company has received notice u/s. 257 of the Companies Act, 1956, for the appointment of Mr. Hendrikus Adrianus Alfonsus, additional director of the Company, to hold office until the date of the ensuing Annual General Meeting, pursuant to section 260 of the Companies Act, 1956. Mr. K. R. Paramesvar, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas etc., as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

4. An Explanatory statement under Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting from item No.4 to Item No.8, is annexed hereto.

5. Pursuant to the provisions of section 109A of the Companies Act, 1956, every member or joint holder may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in electronic form may contact their respective Depository Participant (DP) for availing this facility.

6. Members are requested:

- to notify the change of address, if any, to the Registrar and Share Transfer Agent, if the shares are held by them in physical form and to the Depository participants in case the shares are held by them in electronic form immediately.
- to bring their copy of Annual report to the Annual General Meeting.
- to produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.
- Members are requested to note that the Registered Office of the Company has been changed from the existing address – New.No.38. Old.No.159, First Floor, Sri rama Building, Greams Road, Chennai-600006 to II Floor, R.R.Towers IV, T.V.K.Industrial Estate, Guindy, Chennai-600 032 w.e.f. December 9, 2010 and all communications should be sent to the new address.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of The Companies Act, 1956)

Item No. 4

Mr. M. Srinivasan joined the Board as a whole-time director of the Company w. e. f. October 31, 2009 and resigned w.e.f. January 28, 2010. He rejoined the Board as a non-executive director w.e.f. December 03, 2010. Mr. M. Srinivasan was appointed as an Additional Director of the Company in the Board Meeting held on December 03, 2010, pursuant to the provisions of Article 80 of the Articles of Association of the Company and as per sec 260 of the Companies Act, 1956 (the Act). According to the provisions of the Act, the tenure of his office is until the date of the ensuing Annual General Meeting. However, as of December 1, 2010, he is no longer an employee of the company.

As required under Section 257 of the Act, the Company has received a notice together with necessary deposit from a Member of the Company proposing the candidature of Mr. M. Srinivasan for the office of the Director, as non-executive Director. The Board of Directors (the Board) recommends the aforesaid resolution for the approval of the members.

Brief Profile of Mr. M. Srinivasan

Mr. M. Srinivasan, an Engineering Graduate from Regional Engineering college, Trichy, India, has more than 38 years of experience with leading Indian public sector companies and held various positions in the Company in the last 28 years and contributed for its significant growth.

None of the Directors except Mr. M. Srinivasan are interested or concerned in the resolution.

Item No. 5

Mr. Hendrikus Adrianus Alfonsus was appointed as an Additional Director of the Company with effect from December 03, 2010, pursuant to the provisions of Article 80 of the Articles of Association of the Company and as per Section 260 of the Companies Act, 1956 (the Act). According to the provisions of the Act, the tenure of his office is until the date of the ensuing Annual General Meeting.

As required under Section 257 of the Act, the Company has received a notice together with necessary deposit from a Member of the Company proposing the candidature of Mr. Hendrikus Adrianus Alfonsus for the office of the Director. The Board of Directors (the Board) recommends the aforesaid resolution for the approval of the members.

Brief profile of Mr. Hendrikus Adrianus Alfonsus

Mr. Alfonsus joined the Board as Additional Director on December 03, 2010. Mr. Alfonsus is a professional consultant, based in New York City. He is presently involved in business development of exciting products like UltraCloud™, a cloud based parallelization technology that shortens the processing time of large and complex algorithms up to 200 times.

Prior to this, Mr. Alfonsus was Senior Consultant with the Waste and Energy Company of Amsterdam and incharge of sales & marketing in the US. Harry was President & CEO of the US operations of Deutsche Babcock, based in Tampa Florida, following assignments in the early 90's as Managing Director of their Indian operations headquartered in Bangalore, India and as Vice President, International Operations, based in Ratingen, Germany. Activities for ABB in India included projects for a number of customers including LAB in Patalganga, and the Hazira Complex, both for Reliance Industries.

Mr. Alfonsus has spent more than 20 years in senior management positions, associating with varied industries across the globe. Mr. Alfonsus studied chemical engineering at Delft University in The Netherlands and attended NYU's graduate business school.

None of the Directors except Mr. Hendrikus Adrianus Alfonsus is interested or concerned in the resolution.

Item No.6

The Members in their Annual General Meeting held on September 28, 2005 approved the payment of commission in line with proposed resolution for a period of 5 years from the financial year ending 2005 to 2010. So far, no commission has been paid to any Directors of the company. The same is again placed before the members for their approval for a further period of 5 years from the ensuing financial year ending March 2011 to March 2015.

In order to bring the remuneration of the Directors of the Company in line with the current trends in the industry and commensurate with the time devoted and the contribution made by them, the Board of Directors of your Company proposes that remuneration in the form of commission be paid to Directors as may be decided by the Board within the limits specified u/s. 309 of the Companies Act, 1956. The same needs to be approved by the Members of the Company in their meeting. In addition to the Members approval, the payment of commission may require such other approvals from Reserve Bank of India, Government of India, as may be necessary. The Board at its meeting held on December 03, 2010 approved the above proposal.

The Directors may be deemed to be interested or concerned in the proposed resolution.

Item No.7

Your Company has identified areas for expanding the business activities in India and abroad. In order to execute the proposed plans, the Company may have to establish wholly owned subsidiaries (WOS), in India or abroad, or to invest in the capital of domestic companies in the areas of product development, software training, telecom, e-commerce, call - centre etc. from time to time. The establishment of WOS and the investment in the paid-up capital of the Company will be made in such currencies as may be applicable in respective places, subject to necessary approvals from the appropriate authorities. Presently the Company has Six WOS and two step-down subsidiaries abroad, in which the investments were made from time to time. The Company may as a part of the growth initiatives make further investments in Bodies Corporate which may become the WOS of the Company. Further, the Company may also invest in any body corporate in the similar line of business by way of subscription and /or purchase of equity/ equity related securities or preference shares.

It is proposed to meet the requirement of funds for investments through proceeds from issue of securities, borrowings and/or internal accrual. Due to the current global financial situation, the subsidiaries may required to be funded for consolidating the operations to improve the margins. It is proposed that the investments made together with the outstanding loans, guarantees given, securities provided by the Company, do not exceed Rs.20,000 million at any one time notwithstanding that the aggregate of the said loans/ investments/guarantees/securities, may exceed the limits prescribed under Section 372 (A) of the Companies Act, 1956. Hence this requires the prior approval of the members by Special resolution. This resolution supersedes the earlier resolution approved by the Members in their meeting held on September 29, 2009.

The Board commends the Resolution for approval of the Members.

None of the Directors of the Company is interested or concerned in the proposed resolution.

Item No. 8

The Company has achieved revenue of \$ 215 million for the financial year ended 2009-2010. As per the Business plan for the financial year 2010-2011, the Company plans to enhance its capabilities by organic and non-organic means in the areas of Identity Management, Healthcare, Life sciences, Manufacturing, IP led strategy in the areas of Telecom and Banking, Finance and Insurance vertical. The company has made acquisitions in the last three years in the areas of Pharma/Life Science, Banking and Finance and ERP segments and all acquired companies/businesses have grown steadily compared to the previous year. In order to plan for further expansion of business verticals through inorganic growth, i.e. by way of acquisition of companies/businesses, it is proposed to look out for potential opportunities in this financial year also. This growth plan of the Company require adequate funding. As per the proposed means of finance, the Company may issue securities in Indian or international markets as contemplated in the resolution set out which may be decided by the Board and if found to be expedient and in the interests of the Company. Further, the company is looking to raise long-term funds in the International market as the global capital market situation post August 2008 till September 2010 has not been conducive for the company to raise funds from the market.

The proposed issuance of Securities as above may be made in one or more tranches, in one or more currency, at such times and at such price and/or such other valuable consideration(s), as the Board may in its absolute discretion deem fit for an aggregate amount not exceeding the limits specified in the resolution. The modalities for the issue will be decided by the Board at the time of the offer in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts, in accordance with the applicable provisions of rules, regulations or guidelines and in accordance with the terms of approval of the Government of India, Reserve Bank of India, SEBI and such other authorities as may be required. These securities may be listed on stock exchange (s), whether in India or abroad, as may be deemed fit by the Board.

The broad purposes of utilization of the issue proceeds will be for payment of cost of acquisitions and on stock swap basis, capital expenditure towards infrastructure, business promotion, brand building, for augmenting Working capital funds and other commitments of the Company.

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the members decide otherwise. The Listing Agreements with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing equity shareholders, unless the members decide otherwise. The special resolution seeks the consent and authorization of the members to the Board of Directors to make the proposed issue of securities and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue.

This special resolution gives (a) adequate flexibility and discretion to the Board to finalize the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue, which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines, (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with / without voting rights or with differential voting rights. The Board commends the Resolution for approval of the Members

None of the Directors of the Company is interested or concerned in the proposed Resolution.

By Order of the Board
For Mascon Global Limited

Place: Chennai
Date: December 04, 2010

S. Sivakumar
Company Secretary

MASCON GLOBAL LIMITED
Registered Office : 'Sri Rama Building"
New No. 38 (Old No. 159), Greams Road, Chennai – 600 006

PROXY FORM

Regd. Folio No./DP Client ID.....

I/We.....of.....in the district
of.....being a member / members of the Company hereby
appoint.....of.....in the district
of..... failing him/her..... of.....in the
district..... as my / our proxy to vote for me / us on my / our behalf at the NINETEENTH ANNUAL
GENERAL MEETING of the Company at "SENATOR", The Residency Towers, Sir Thyagaraya Road, T. Nagar, Chennai – 600
017 at 11:15 a.m. on Tuesday, December 28, 2010 at any adjournment(s) thereof.

Signed this.....day of2010.

Signature.....



Note: This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

-----Please tear here-----

MASCON GLOBAL LIMITED
Registered Office : 'Sri Rama Building"
New No. 38 (Old No. 159), Greams Road, Chennai – 600 006

ATTENDANCE SLIP

Regd. Folio No./DP Client ID.....No. of Shares.....

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at "SENATOR", The Residency Towers, Sir Thyagaraya Road, T. Nagar, Chennai – 600 017 at 11:15 a.m. on Tuesday, December 28, 2010.

.....
Members' / proxy's name in
BLOCK letters

.....
Signature of member/proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.