LGS

DELIVERING BUSINESS VALUE

11th Annual Report 2009-2010

Driving the Next GEN Health revolution

LGS GLOBAL LIMITED

(Formerly Lanco Global Systems Limited)

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Corporate Information

Board of Directors

Mr. Karusala Venkata Subba Rao	Managing Director
Mr. Kadiyala Venkateswara Rao	Joint Managing Director
Dr. Prasada Rao VDM Ravella	Independent Director
Mr. Boddapaty Anand	Alternate Director
Mr. Vyricherla Pradeep Kumar Dev	Independent Director

Vice President (F & A)
CA Srinivasa Rao Yepuri

Company Secretary
CS Jagadeeshwara Rao Mabagapu

Statutory Auditors
M/s. P. Murali & Co.,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad - 500 082,
Andhra Pradesh, India.
Tel.: +91-40-23326666

Registrar & Share Transfer Agent
Aarthi Consultants Private Limited
1-2-285, Domalguda,
Hyderabad - 500 029,
Andhra Pradesh, India.
Tel: +91-40-27634445, 27638111, 27642217
Fax: +91-40-27632184,
Email: info@aarthiconsultants.com

Bankers
Axis Bank Limited
State Bank of India

Registered Office
8-2-293/82/A/796/B,
Road No.36, Jubilee Hills,
Hyderabad - 500 033, A.P.
Tel: +91 40 6699 0000
Fax: +91 40 6699 4444
Website: www.lgsglobal.com

SEZ Unit
Block - 401, Building No. 14,
Survey No. 64, Mindspace,
Cyberabad, Madhapur,
Hyderabad - 500 081, A. P.
Tel: +91 40 6699 4499
Fax: +91 40 6699 4488

Notice

NOTICE is hereby given that the **Eleventh Annual General Meeting** of the Members of **LGS GLOBAL LIMITED** (Formerly Lanco Global Systems Limited) will be held on **Friday, 24th December, 2010 at 11.00 A.M.** at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, Hyderabad-500 004, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the
   (a) Audited Balance Sheet as at 31st March, 2010;
   (b) Audited Profit and Loss Account for the financial year ended on that date;
   (c) Auditors' Report thereon; and
   (d) Directors' Report thereon;
2. To declare dividend on equity shares for the financial year ended 31st March 2010.
3. To appoint a Director in place of Mr. Pradeep Kumar Dev Vyricherla, who retires by rotation, and, being eligible, offers himself for re-appointment.
4. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS

5. ***To Consider, and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION***

   "**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the "**Act**") and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, any statutory modification(s) or re-enactment thereof, for the time being in force and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time, if any, issued by the Government of India (the "**GOI**"), the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be applicable and the provisions in the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, SEBI, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (the "**Concerned Authorities**") in this regard, as may be required and applicable and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts (ADR), Global Depository Receipts (GDR), Singapore Depository Receipts (SDR), and/or Foreign Currency Convertible Bonds (FCCB), Convertible Debentures, fully or partly, and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares, secured premium notes, and/or any other financial instruments which would be converted into/ exchanged with Equity Shares at a later date (the "**Securities**") as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public, follow-on, preferential issues or private offerings in domestic and/or one or more international market(s), with or without a green shoe option, or private placement or issued/allotted through Qualified Institutions Placement in accordance with the Guidelines for "Qualified Institutions Placement" prescribed under Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended, or by any one or more or a combination of the above model/methods or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible Qualified Institutional Buyers including Foreign Institutional Investors, resident/ non-resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/ or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "**Investors**") whether or not such Investors are members of the Company as may be deemed appropriate by the Board and permitted under applicable laws and regulations, resulting in the issue of an aggregate amount not exceeding Rs. 400 Crores (Rupees Four Hundred Crores) or equivalent thereof in any foreign currency and on such terms and conditions and timing of the issue(s)/offering(s) including the Investors to whom the Securities are to be issued, issue price, number of Securities to be issued, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Companies Act, 1956 in respect of any Securities as may be required either on pari-passu basis or otherwise, the stock exchanges on which such Securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity share to be allotted on redemption/conversion, the ratio, period of conversion, fixing of record date or book closure dates, and any other matter in connection with, or incidental to, the issue, in consultation with the merchant bankers or other advisors or otherwise, as the Board at its sole discretion may decide together with any amendments or modifications thereto.

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and such of these Securities to be issued as are not subscribed may be disposed of by the Board in such manner and/or on such terms including offering or placing them with banks/financial institutions/ mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, regulations and guidelines.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to the offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into Equity Shares as the Board may in its sole discretion deem appropriate.

RESOLVED FURTHER THAT the Board be and are hereby authorised to do such acts, deeds and things as they, in its absolute discretion, may deem necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

(i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;

(ii) giving or authorizing the giving of such undertakings, declarations, affidavits, certificates, consents and authorities as may be required from time to time by concerned persons; and

(iii) Settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the entering into of arrangements/ agreements for underwriting, marketing, listing of Securities, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and to do all requisite filings with SEBI, the stock exchanges, the GOI, the RBI, if required and any other concerned authority in India or outside, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the issue, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all members.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any offer, issue and allotment of Securities, the Board be and are hereby authorized to constitute a Special Committee of the Board named the "Issue Committee" and further delegates all or any of the powers herein conferred to give effect to the aforesaid resolutions to the Issue Committee and further authorizes the Issue Committee to take all such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to:

(a) To decide on the timing, pricing and all the terms and conditions of the issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;

(b) Approving the offer document and filing the same with the any authority or persons as may be required;

(c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorized who shall sign the same in token thereof;

(d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;

(e) Opening such banks accounts and demat accounts as may be required for the transaction;

(f) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;

(g) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;

(h) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and

(i) To authorize or delegate all or any of the powers herein above conferred to any or more persons, if need be."

6. ***To Consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION***

"**RESOLVED THAT** in supersession of the earlier Resolutions passed in this regard, the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956, to borrow such moneys or sums of money, subject to the prevailing laws, rules, regulations and guidelines to the extent they are applicable, in any manner, from time to time, with or without security and upon such terms and conditions as the Board of Directors may think fit, notwithstanding that moneys to be borrowed together with moneys already borrowed, if any, by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 600 Cr (Rupees Six Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all other steps, to give all such directions, to do all such deeds, matters and things as may be necessary to give effect to the aforesaid Resolution and as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any of the Directors of the Company to give effect to the aforesaid Resolution."

By order of the Board
For **LGS GLOBAL LIMITED**

CS JAGADEESHWARA RAO M
Company Secretary

Place : Hyderabad
Date : 11.11.2010.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special business to be transacted at the meeting is annexed hereto.**
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Proxies, in order to be effective, must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution /authority, as applicable.
5. The Register of Members and Share Transfer Books of the Company will be closed from ***Tuesday, 21st December, 2010*** to ***Friday, the 24th December, 2010*** (both days inclusive). If the dividend as recommended by the Board of Directors is approved and declared at the Annual General Meeting, payment of such dividend will be made on or after December 24th , 2010 as under:
   (a) To all Beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on Monday, 20th December, 2010;
   (b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the company on or before the close of business hours on Monday, 20th December, 2010;
6. Members are requested to inform immediately their bank account particulars in the following manner, if not informed earlier, to the Registrar, in respect of equity shares in physical mode and to their Depository Participants (DPs), in respect of equity shares held in dematerialized form, so that the same could be incorporated in payment warrants after their names to avoid fraudulent encashment:

   Folio No./DP Id No. & Client Id No.:
   Name:
   Bank A/c No.:
   Name of the Bank:
   Signature of Shareholder:
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective Demat accounts will be used by the Company for payment of the Dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the members.
8. To avoid loss of dividend warrants in transit and undue delay in respect of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India (RBI) from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the company's Registrar's and Share Transfer Agent.
9. Members are requested to intimate the change of address if any, to the Share Transfer Agents, Aarthi Consultants Private Limited, (Unit: LGS GLOBAL LIMITED), 1-2-285, Domalguda, Hyderabad - 500 029, Andhra Pradesh, India. Members, whose shareholdings are in electronic mode, are requested to send the intimation for change of address to their respective depository participants and not to the Company or the Registrar & Share Transfer Agent.
10. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
11. Members attending the Meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the same, duly signed, at the entrance of the meeting hall.
12. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance slip for attending the meeting.
13. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
14. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the directors seeking re-appointment in the Annual General Meeting is annexed.

Explanatory Statement Pursuant to section 173 (2) of the Companies Act, 1956

ITEM NO.5

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity Shares, GDRs, ADRs, SDRs, FCCBs, Convertible Bonds/Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board in one or more tranche or tranches. The Company intends to make issue of an aggregate amount not exceeding Rs. 400 Crores or equivalent thereof.

The objects of this issue are to meet expansion, potential acquisitions, long term working capital and capital expenditure requirements of the Company and its subsidiaries, acquisition of companies, businesses and projects, and other general corporate purposes.

The detailed terms and conditions for the offer will be determined by the Board/Issue Committee of the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Equity Shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalize the terms of the issue.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/ conversion would be subject to the availability of regulatory approvals, if any. The conversion of other Specified Securities held by foreign investors, into shares would be subject to the applicable foreign investment cap.

Section 81(1) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down. As the aforesaid resolution provides for or may result in issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Guidelines.

The Special Resolution as set out above, if passed, will have the effect of allowing the Board to issue and allot Securities to Investors, who may or may not be existing shareholders of the Company in the manner as set out in the resolution. The said resolution also enables the Board to create mortgage/ charge on the property/ assets of the Company in respect of any debt securities offered by the Company.

The Board of Directors recommends the special resolution for your approval.

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

ITEM NO.6

The members of the Company, at the Annual General Meeting held on 30th September, 2008, had approved under Section 293(1)(d) of the Companies Act, 1956, borrowings by the Board of Directors in excess of paid-up share capital and its free reserves, subject to maximum outstanding amount at any time not exceeding Rs. 500 Crores only. The Consolidated turnover of the Company as on March 31, 2009 was Rs. 298.60 Cr as against Rs. 380.86 Cr against present consolidated turnover as on March 31, 2010.

The Company could not execute fund raising proposals due to unfavorable market conditions, and meanwhile availed loans/credit facilities from Banks and institutions in the form of term loan, working capital and factoring facilities. The consolidated total secured loans of the company as on March 31, 2010 was Rs. 105 Cr and the sanctioned limits secured by charge creation was Rs. 117.50 Cr. The intended fund raising proposals and further borrowings, if made, would narrow the gap between sanctioned limit and actual utilization of the company.

Your Company has plans to raise further funds to the extent of Rs. 400 Cr by issue of ADR/GDR/SDR/FCCBs/ Bond and/or any other such instruments in the forthcoming year either in one or more tranches. Members' approval is also sought for raising funds through issue of such instruments to that limit by resolution in this notice. In accordance with law, by strict interpretation, though the company has obtained specific approvals from the members for issue of securities by way of ADR/GDR/ SDR/FCCB/Bonds/other instruments etc., till the outstanding of such instruments, those could be considered as borrowings for the purpose of Section 293(1) (d) of the Companies Act, 1956.

Since the company has expansion and potential acquisition plans, in order to meet the funds requirements in respect of execution of such plans, the board should empower with adequate borrowing powers as may be required in accordance with law to raise funds in best interests of the company. The present borrowing limits of the Company will not be sufficient to make further borrowings of the Company. Hence, members' approval is sought to increase borrowing limits up to Rs. 600 Cr.

Your Directors recommend the Resolution as set out in the Notice for your approval.

None of the directors is interested or concerned in this resolution.

By order of the Board
For **LGS GLOBAL LIMITED**

CS JAGADEESHWARA RAO M
Company Secretary

Place : Hyderabad
Date : 11.11.2010.

Additional Information on Directors seeking re-appointment at the ensuing Annual General Meeting as per Clause 49 of the Listing Agreement.

Name of the Director	**Mr. Pradeep Kumar Dev Vyricherla**
Date of Birth	25.09.1961
Date of Appointment	27.03.2008
Relationship with other Directors	None
Expertise in specific function area	Professional Competency in Management and Corporate Finance
Qualification	B. Com., M. B. A.,
Board membership of other Indian Public companies	3K Technologies Limited
	3K Infrastructures Limited
Chairman / member of the committee of the Board of Directors of the Company	Chairman of (i) Audit Committee (ii) Shareholders'/ Investors Grievance Committee Member of Remuneration & Compensation Committee
Chairman / Member of the committees in other companies in which he is a Director	Nil
Number of shares held in the Company	Nil

To

The Members

Your Directors have great pleasure in presenting the Eleventh Annual Report on the business and operations of the Company for the financial year ended 31st March 2010.

FINANCIAL RESULTS

(Rupees in Lakhs)

Financial Results	For the financial year ended 31st March			
	Consolidated		Standalone	
	2010	2009	**2010**	2009
Income from Operations	**38446.69**	29458.56	**24074.54**	18514.07
Other Income	**(360.85)**	401.50	**(360.85)**	401.50
Total Income	**38085.84**	29860.06	**23713.69**	18915.57
Operating expenditure	**32403.80**	25407.09	**21015.78**	15259.20
Gross Profit before Interest, Depreciation & Tax	**5682.04**	4452.97	**2697.91**	3656.37
Less: Interest	**1133.75**	681.01	**1030.70**	616.71
Depreciation	**480.70**	462.03	**331.24**	329.34
Provision for Tax	**774.22**	599.77	**262.63**	426.09
Profit after Tax	**3293.37**	2710.16	**1073.34**	2284.23
Less: Provision for Deferred Tax Liability	**24.96**	11.44	**24.96**	11.44
Profit after Deferred Tax	**3268.41**	2698.72	**1048.38**	2272.79
Net Profit for the year	**3268.41**	2698.72	**1048.38**	2272.79
Balance Brought forward from the previous year	**6879.46**	4255.10	**5248.09**	3049.65
Profit available for appropriations	**10147.87**	6953.82	**6296.47**	5322.44
Provision for proposed Dividend	**254.24**	63.56	**254.24**	63.56
Tax on Dividends	**43.21**	10.80	**43.21**	10.80
Transferred to General Reserve	**63.56**	0.00	**63.56**	0.00
Profit Carried to Balance Sheet	**9786.86**	6879.46	**5935.46**	5248.08

DIVIDEND

Your Directors take pleasure in recommending a dividend of Re. 1 per Equity share (10%) on face value of Rs. 10/- per share for the approval of the members for the financial year ended 31st March 2010. The dividend, if declared as above, would involve an outflow of Rs. 2,54,23,667/- towards dividend and Rs. 43,20,752/- towards dividend tax, resulting in a total outflow of Rs. 2,97,44,419/- .

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 63,55,917/- to the General Reserve out of the amount available for appropriations and an amount of Rs. 97,86,86,237/- is proposed to be retained in the Consolidated Profit & Loss Account.

The Company proposes to transfer Rs. 63,55,917/- to the General Reserve out of the amount available for appropriations and an amount of Rs. 59,35,46,580/- is proposed to be retained in the Standalone Profit & Loss Account.

OPERATIONAL RESULTS & BUSINESS

FY 2009-10 showed a strong performance compared to the previous year with skillful financial management in the face of challenging economic conditions. During the year under review, the standalone total income was Rs. 23713.69 lakhs as against Rs. 18915.57 lakhs in the previous year. The consolidated total income was Rs. 38085.84 lakhs as against Rs.29860.06 in previous year.

Your Company caters to its clients through a network of global presence by its established offices and a relentless effort is on the leash for bringing out constant improvements.

SUBSIDIARIES

Your Company has three subsidiaries namely Techorbit Inc, Global IT Inc situated in USA and LGS Global FZE in United Arab Emirates.

There has been no material change in the nature of the business of the subsidiaries.

As required under the Listing Agreement with the Stock Exchanges, consolidated financial statements have been prepared and included in this Annual Report.

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

As per Section 212 of the Companies Act, 1956, we are required to attach the directors' report, balance sheet, and profit and loss account of the subsidiaries. The Ministry of Corporate Affairs (MCA), Government of India has granted exemption from complying with Section 212 vide its approval letter No.47/573/2010-CL-III, Dtd.18.06.2010. In compliance with the terms of the exemption we have presented summary of financial information through statements for each subsidiary. Summary financial information includes Share Capital, Reserves & Surplus, Total Assets, Total Liabilities, our holding in the subsidiary, details of Investment, turnover, Profit before taxation, provision for taxation, Profit after taxation etc.. Accordingly, the annual report does not contain the financial statements of these subsidiaries. The Annual Accounts of the Subsidiary Companies and the related detailed information will be made available to the Holding and Subsidiary Companies' investors seeking such information at any point of time. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any investor at the Registered Office of the Company and that of Subsidiary Companies concerned.

A statement pursuant to Section 212 of the Companies Act, 1956 related to Subsidiary Companies given elsewhere in this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standards AS-21 on Consolidated Financial Statements, the Audited Consolidated Financial Statements are included in this Annual Report.

CHANGES & DEVELOPMENTS DURING THE YEAR AND THEREAFTER

Your Company has obtained approval to set up a unit in Special Economic Zone (SEZ) at Sundew Properties Private Limited (formerly K Raheja IT Park (Hyderabad) Private Limited), Mindspace, Cyberabad, Madhapur, Hyderabad, A.P. The SEZ Unit commenced its operations from April 08, 2010.

The Equity Shares of the Company are listed in Madras Stock Exchange with effect from 13th September, 2010.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public for the financial year ended March 31, 2010.

HUMAN RESOURCES

Your company recognizes the importance of human resources as it forms the backbone for its success. Your company strongly believes in nurturing and encouraging human resources. The prime focus of the company is to enhance the professional value of its employees and create win-win situations for both the organization and its employees. Your company continues to adopt best HR practices to recruit and retain talented employees. Your company is confident of reaping the best from its talent pool and sharing the benefits with its employees on an equitable basis in the years to come.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report given as annexure to the Director's Report.

AUDITORS

M/s. P. Murali & Co., Chartered Accountants, Auditors of the Company will retire at the conclusion of the Annual General Meeting and are eligible for re-appointment. They have conveyed their willingness to accept re-appointment and confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956.

The Auditors' Report to the shareholders does not contain any qualification or adverse remarks which require any clarification or explanation.

DIRECTORS

Mr. Pradeep Kumar Dev Vyricherla, Director, retires by rotation and being eligible offers himself for re-appointment. Mr. G. Ramesh had submitted the resignation to the directorship of the company with effect from April 16, 2010 and the same was accepted by the Board. Your Board placed on record its appreciation to the outgoing Director for the valuable services rendered during his tenure on the Board of the Company.

GROUP FOR INTER-SE TRANSFER OF SHARES

Pursuant to an intimation from the promoters, the names of the promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 (and any enactment or re-enactment thereof) for the purpose of the SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include:

Venkateswara Rao Kadiyala	Sirisha Yarlagadda
Venkata Subba Rao Karusala	Sridevi Potu
Fiora Enterprises Ltd	Probus Capital Ltd
Mundi Enterprise Ltd	Fingrowth Co. Ltd

REPORT ON CORPORATE GOVERNANCE

In line with the recommendation of the Securities Exchange Board of India (SEBI) on Corporate Governance, your company had constituted the Board with optimum combination of Executive and Non Executive and independent and Non independent Directors. Your Company also constituted various committees to comply with the provisions of the Corporate Governance under the Listing Agreement of the Stock Exchanges.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

The requisite Certificate from the Auditors M/s. P. Murali & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report (MDA) of the Company forms part of this Annual Report.

DECLARATION ON CODE OF CONDUCT

Pursuant to provisions of Clause 49 (I) (D) (ii) of the Listing Agreement, a Declaration declaring that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, is forming part of the Corporate Governance Report attached herewith.

LISTING OF SHARES & ANNUAL LISTING FEE

The Securities of the Company are listed at Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE). The Listing fee for BSE and MSE has been paid and there are no outstanding dues. Your company has filed listing application along with necessary documents and also paid Initial Listing Fees and Annual Listing Fees for listing of its shares at National Stock Exchange of India Limited (NSE). Your company is waiting for listing approval from NSE.

DISCLOSURE ON COMPANY'S EMPLOYEES STOCK OPTIONS

During the year under review no scheme is in force, hence no information / disclosures are being made under SEBI (ESOS / ESPS) Guidelines 1999. However, the ESOP Trust namely LGSL Foundation is having 783509-shares as on March 31st, 2010 after successfully implementation of various Employees Stock Option Schemes in earlier years.

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32

The Cash Flow Statement pursuant to Clause 32 of the Listing Agreement entered into with Stock Exchange(s) is appended to this Annual Report.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars, as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, are as following:

(i) Details of Conservation of Energy

The operations of your company do not consume high levels of energy. The Company uses electric energy for its equipment such as computer terminals, air conditioners, lighting and utilities in the work premises. Adequate measures have been taken to conserve energy by using energy-efficient computers and equipment with the latest technologies. As an ongoing process, the following measures are undertaken to conserve energy:

(a) Implementation of viable energy audit proposals.

(b) Installation of automatic power factor controllers to save maximum demand charges and energy.

(c) Training front-end operational persons on the opportunities and importance of energy conservation.

(d) Automation of air conditioners is taken up in all locations.

(e) Precision temperature controllers are installed in all locations.

(f) Awareness and training sessions for maintenance personnel were conducted by experts.

(g) Optimum usage of air-conditioning equipment is made within the office space.

(h) Efforts are on to provide for intelligent lighting, automatic lighting system based on sensors for optimum use of power.

(ii) Research & Development and Technology Absorption

The Company's Research & Development investment would primarily focus on Solutions Research and Vertical Focus Research.

Solutions Research would identify new ideas which would enable business process improvement for customers and would be aligned with the business strategy and growth opportunities of the organization.

Vertical Focus would primarily deal with building Centers of Excellence (CoE) around verticals such as financial services, Life sciences, pharmacy, energy, retail and process / discrete manufacturing. The Company would also set up Research & Development facilities around tools supporting some of the COTS solutions and in the BI space. Specialized process oriented tools to enhance business process performance are ready for deployment. The Company would be developing products for B2B and SaaS.

The Company plans to be a player in niche technologies and lays emphasis in staying current in the new technologies. A significant budget would be set aside for building competencies in the new technologies and also building solutions in the migration space, particularly in the open source solutions.

(iii) Foreign Exchange Earnings and outgo

Export Plans and Activities relating to exports - Application Management services, Application development, Tool set development, Product development and support activities have been the primary source of revenues to the offshore delivery center and would be the focus for the future with the aid of Value added tools.

Initiatives taken to increase exports - Demonstrating the benefits to the existing client base on the offshore model in terms of Cost savings, 24/7 support, Maturity in delivery processes through CMMI and ISO, State of the art infrastructure, Competency and knowledge base.

Development of new export markets for products and services - Europe and Middle East have been the markets that are being developed through our partners.

		Rs.
A)	Foreign Exchange Earnings (Received)	1,17,11,08,279/-
B)	Foreign Exchange outgo	
	(i) for Capital Expenditure	Nil
	(ii) for Traveling	40,60,934/-
	(iii) for Others	1,22,12,81,734/-

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state that:

(a) in preparation of annual accounts containing financial statements for the financial year ended 31st March, 2010 the applicable accounting standards have been followed.

(b) the accounting policies are consistently followed and your Directors have applied them to give a true and fair view of the state of affairs of the Company and the profit/loss for that period.

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

ACKNOWLEDGEMENTS AND APPRECIATIONS

Your Directors seize this opportunity to thank the esteemed Shareholders, Financial Institutions, Banks, Customers, Suppliers and Regulatory and Government Authorities for their continued support to the Company. Further, the Directors wish to place on record their appreciation to all employees of the Company for their hard work, dedication and commitment.

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala	**Venkateswara Rao Kadiyala**
Managing Director	Joint Managing Director

Place : Hyderabad
Date : 11.11.2010

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the directors report for the year ended March 31, 2010

Employee Name	Designation / Nature of Duties	Qualification	Age (years)	Joining Date	Experience (years)	Gross Remuneration (Rs.)	Previous Employment -Designation
Mr. Satheesh Balusu	Head - ERP	B. E.	40	18.06.2007	18	25,50,000	IGATE-Group Project Manager

(a) The Department of Company Affairs has amended the Companies (Particulars of Employees) Rules, 1975 to the effect that particulars of employees of companies engaged in the information technology sector posted and working outside India, not being directors or their relatives, drawing more than Rs. 24 Lakh per financial year or Rs. 2 Lakh per month, as the case may be, need not be included in the statement. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India.

(b) Particulars regarding the employees drawing salary in excess of that drawn by Managing Director or Whole time director and holding, either himself or along with spouse and dependent children, not less than two percent of the equity shares of the Company - Nil

(c) Remuneration includes Salary, allowances, Provident Fund, perquisites as per Income Tax Rules and other benefits, if any, as per Company Rules.

(d) The nature of employment of above employees is permanent.

(e) Conditions of employment are contractual/governed by the Company's Rules.

(f) None of the above mentioned employee(s) are related to each other or related to any Director of the Company.

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala
Managing Director

Venkateswara Rao Kadiyala
Joint Managing Director

Place : Hyderabad
Date : 11.11.2010

Management Discussion & Analysis

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute forward looking statement with in the meaning of applicable laws and regulations. In this report words used as 'LGS", 'we', 'our', 'us', 'company' refers to your company i.e LGS.

I. INDUSTRY STRUCTURE AND DEVELOPMENT

Overview

HealthCare is constantly undergoing changes due to new business models, research findings and new medical technologies globally. These challenges are further compounded by the fact that healthcare is an information intensive field. The benefits of Information Technology can effectively address the challenges faced by healthcare providers. Information Technology solutions in healthcare help provide enhanced care to patients while conforming to present and emerging standards and regulations and ensuring seamless integration within the various departments of the hospital. Data must be timely, accurate and reliable.

Information Systems to be the Major Driving Force for the Global HealthCare Sector:

The domestic Government/Public Sector market accounts for 15% of the total IT spends in India and the Indian government's IT spending is estimated to grow from US$ 3.1 Bn in FY2009 to US$ 5.1 Bn in FY2011. This would be the focus vertical for the company in India.

American Domestic HealthCare sector gets a major boost with the announcement of $147 billion fund under the American Recovery and Reinvestment Act of 2009. They majorly focus on Health IT, Comparative Effectiveness Research, NIH Funding and Prevention & Wellness etc., increased awareness has resulted in significant changes in the healthcare industry and has created a demand for safer, improved and affordable healthcare products. The focus has slowly moved from illness treatment to wellness care with a need for personalized care. To be successful, organizations need to utilize all available resources such as information, finances, technology, material and people, efficiently and effectively.

The Govt. of India is implementing healthcare by spending Rs 21000-Cr thru National Rural Heath Mission (NRHM), out of which, a minimum of 20% is going to be for IT. This provides a huge opportunity for various IT applications like Health help lines, Tele-medicine, Bio-surveillance and HealthCare Information Management System (HIMS). State Governments are also in positive way towards Health Care. There are 28 states in India and there are averages of 15 district hospitals, 4-5 teaching hospitals apart from primary care centers, out of which only 2 states have been computerized. There is a potential opportunity of Rs 200-Cr in each state. State Government needs IT applications like HIMS with integration to all hospitals, Emergency Services and Tele-Medicine.

The Indian IT-BPO sector has become the country's premier growth engine, crossing significant milestones in terms of revenue growth, employment generation, and value creation, in addition to becoming the global brand ambassador for India. The industry is mainly governed by IT software and facilities for instance System Integration, Software experiments, Custom Application Development and Maintenance (CADM), network services and IT Solutions. The factors behind India being a preferred destination are its reasonably priced labour, favourable business ambience and availability of expert workforce. The Indian IT-BPO sector, contributing over 25% of India's total export and 6.1% of GDP in FY2010, has had a tremendous economic and social impact on India, over the past decade.

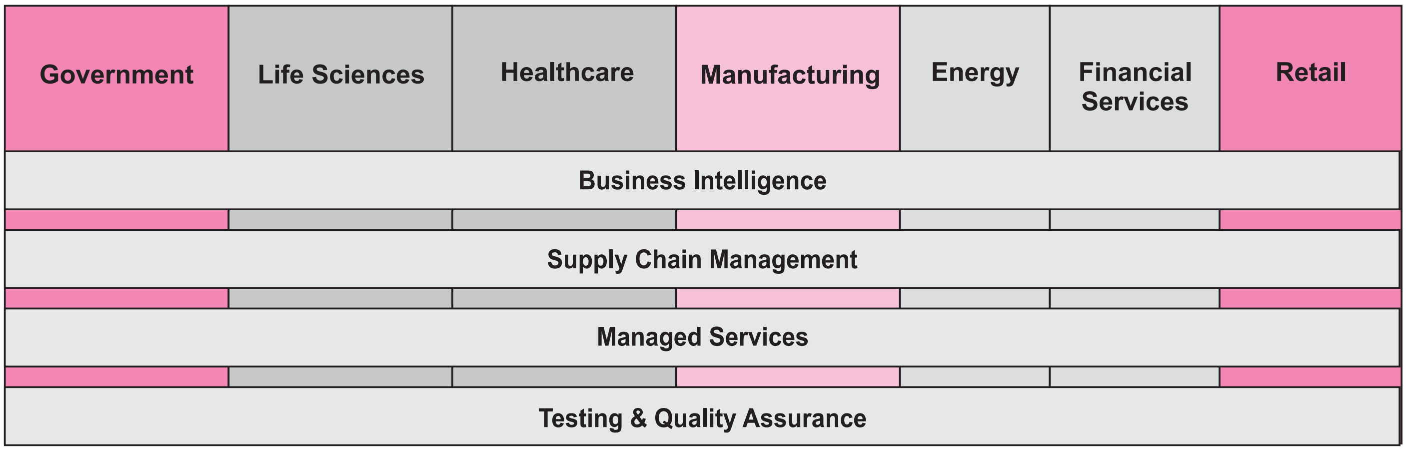
The industry is laying strong emphasis on developing software products along with the services. The revenues of Indian software product industry have been rising steadily with Indian companies delivering world-class software products in various domains. Even though India has a 51% market share of the offshoring market, there is tremendous headroom for growth as current offshoring market is still a small part of the outsourcing industry. Significant opportunities exist in core verticals (BFSI) and geographic segments (US), and emerging geographic (Asia Pacific) and vertical markets such as retail, healthcare and government. An emergence of capabilities and talent pool in new geographic regions, as well as national governments having strong inward investment push, is driving growth of global sourcing locations in Asia Pacific, Latin America, Eastern Europe, Middle East and Africa.

II. OUTLOOK AND OPPORTUNITIES

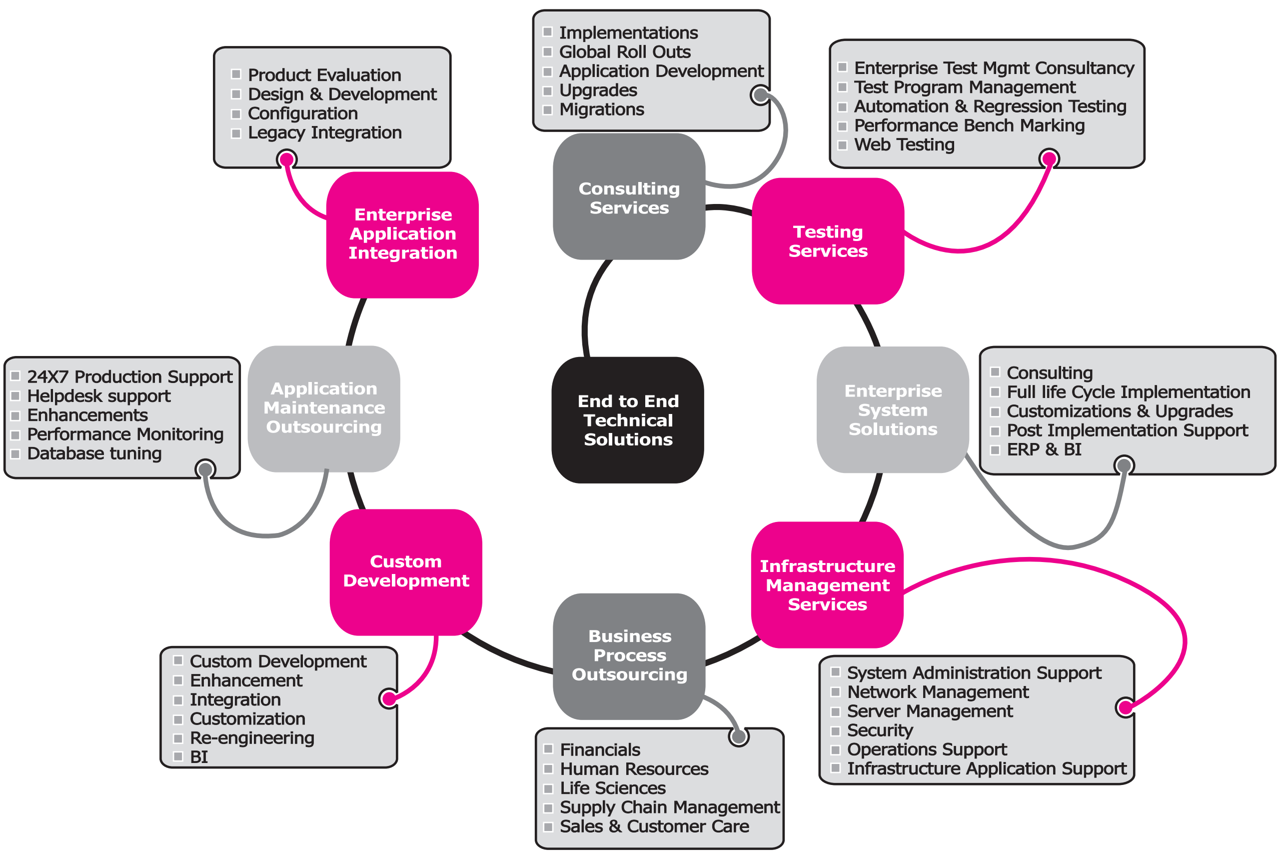
While we recognize there is still great uncertainty about the depth of the current recession, the Company see great opportunity in the IT outsourcing market segment. As companies begin to adjust to the new market paradigms, there will be opportunities for the Company to gain greater market share and expand our client base. We think that there is great value in positioning our company to support a client's long-term recovery goals. Accordingly, we have adjusted our offerings, our sales & marketing focus, and most importantly, our Solutions Factory to capitalize on what we see as an unprecedented opportunity in the IT industry. Success in this strategy will have long-term growth value for LGS over the next 3-5 years.

As an innovative technology service provider, the Company has identified several key business opportunity areas which will drive the Company's organic and inorganic growth for the foreseeable future. As we look into 2009 and 2010, the Company is expanding its global presence with plans to enter the Eastern Europe, Middle East, South African, and South American markets.

LGS - Vertical & Horizontal Market Focus



The Company offers IT Services and Solutions to diverse enterprise companies through its onsite consulting expertise and offshore development experience. Company's clients and partners include global fortune 500 companies which offer significant scope for expanding its share of their IT budgets and this is indicative of the continued potential for growth. Most importantly, the Company is leveraging its capability as an integrated solutions provider, with appropriate technology expertise and domain knowledge, to deepen its relationships with its clients.



Throughout 2009-10, we provided staffing and services to multi-national companies in the construction, manufacturing, industrial, banking, finance, healthcare, insurance, retail, government, energy, automotive, and consumer goods industries. Your Company has competitive strength and looking very good opportunities and sizable growth in Health Care industry and E-governance in India.

LGS Global Ltd as a HealthCare IT Solutions provider, design, build and deliver industry leading software systems that serve HealthCare sector with Clientele including a HealthCare Organizations and Government Agencies. Your Company expertise differentiates itself on the ability to execute cost effective Onsite-Offshore Healthcare Testing Solutions resulting in low Total Cost of Ownership and Lean solutions, which helps LGS's clients to maximize their business performance through seamless integration of strategic change, process improvements, and technology solutions.

LGS Competitive Strengths

The Company's strong brand value continues to grow through our quality assurance processes, superior delivery of complex solutions, access to highly skilled talent, a 24 x 7 x 365 any-shore delivery model, and lower delivery costs. We believe that these organic capabilities enable us to capitalize on the current market conditions, capturing greater market share over the next year.

The Company's Global Delivery Model (GDM) remains a core strength of our company; allowing us to deliver cost effective services while marketing these services in the areas where the profits are greatest. We are able to gain maximum benefit from the GDM by accessing a highly skilled talent pool of technology professionals, 24x7 delivery of solutions and services, reduction of total cost of ownership by executing parallel delivery tracks, remaining cost competitive on a global scale, and leveraging our knowledge management system to ensure a highly efficient solution delivery process.

Additionally, the Company's ITSP (Info Technology Strategy and Planning) services are offered to clients in two-to-five year service level agreement (SLA) inclusive of quality assurance, testing, performance benchmarking, security, governance, and risk assurance. These repeatable service capabilities will be executed quarterly, biannually, or by client and are scalable whether industry-specific, business process-focused or regional in scope, IT deliverables comprise structured methodologies, and technological components that will scale across the enterprise.

The Company's ITSP deliverables are extensible due to their modular design and are easily repositioned for usage other than the original intention. For example, an IT strategy framework developed for a midsize electronics organization can be reused for a banking institution. Service offerings provide value-added updates, business process flow checks, and/or performance audits on a scheduled basis.

The Company's in-depth knowledge of the healthcare industry enables your company to extend business support to its clientele by analyzing business needs of clients, assist in re-engineering business processes and synergies operations with IT solutions of clients, to positively impact Key Result Areas of clientele . LGS has helped health and public service organizations in India and USA and our work has helped improve the quality, access and affordability of public health care. LGS HealthCare Solutions includes **LGS Primahealth**, which helps in providing remote healthcare which is more practical especially in rural areas and **HIMS** which involves Implementing information technology in hospitals and resulting to avoidance of medical errors, improvement of resource utilization, acceleration of knowledge diffusion, reduction of variability in healthcare delivery, Empowerment of the consumer and Promotion of public health and preparedness.

QUALITY MANAGEMENT SYSTEM

A growing enterprise seeks continuous improvements in productivity, efficiency, and quality of service in order to remain profitable. To meet the demands of the clients, companies must build on the strengths of the past to create a dynamic future. With renewed purpose, effective plans for improvement, and innovative practices, LGS has set goals with regards to quality to reach the pinnacle of its growth. LGS started its quality journey from the very beginning and has been continuously improving the quality management system - EQUIP (Enabling Quality and Improving Processes).

EQUIP is a framework that facilitates the integration of extensive delivery, consulting and Project Management methodologies in solution implementations and services. EQUIP enables to deliver Quality services to the clients continuously and consistently throughout project and product life cycle by following various metrics tailored as per the requirements. EQUIP methodology leverages some of the best practices of Rational Unified Process (RUP), Rapid Application Development (RAD) and extreme Programming (XP).

LGS follows EQUIP processes and procedures to deliver clients' requirements and to attain customer delight. The Strategic Global Sourcing Group consists of senior professionals and has been established to identify, secure and manage new, large and long-term client engagements.

Quality Certificates and Assessments

The Company complies with CMMI framework and is re-appraised at CMMI ML 3 with an upgraded version 1.2, this year the company has undertaken

CMMI ML 5 activities and expected to go up to higher maturity levels of the CMMI pyramid in future.

Benchmarking the services and processes against globally recognized quality standards, the Company has achieved the following to improve customer confidence:

- The company always keeps itself abreast with periodic upgrades for independent software process and quality assurance review and audit activities and has moved up from ISO 9001-2000 to ISO 9001-2008.
- Attained ISO 27001 - 2005 certificate for information security management compliance which certifies LGS as able organization to comply with clients' data security requirements.

Certifications and Partnerships

The Company achieved the Microsoft Gold partnership status Certificate for its Data Management Solutions Competency which recognizes the commitment, expertise, and superiority using Microsoft products and services. During the year the Company has also attained partnership from IBM and Sun Microsystems to deliver enhanced quality services to our global clientele. We continue to foster our strategic partnerships with SAP, Oracle, software AG and other major vendors.

AWARDS AND ACCOLADES

The Company has received the following awards and accolades:

- Bagged 15th place in the Technology Fast 50 Program conducted by Deloitte(2009)
- Awarded 119th Rank in Technology Fast 500 Asia Pacific (Year 2009)
- SAP best performing Partner South 2009
- IT Professional of the Year Award to Mr. Rao Karusala by HMA (2010)

STRENGTHS AND OPPORTUNITIES OF THE COMPANY

Strengths:

- In depth knowledge and capabilities of Health Care industry enables to extend good service
- Scalable, extensible and renewable ITSP (Info Technology Strategy and Planning) Services
- Inorganic growth: Acquisitions of Business and customers - a key element in our growth strategy
- Organic Growth: Expanded offices and expanded foot print across geographies and continued development of new products
- Availability of skilled and technically qualified manpower with English language proficiency
- Capability and relationships to Partner with major IT Consulting firms in US
- Business process outsourcing (BPO) in India
- Project size increase in domestic India

Opportunities:

- Potential thawing of Global Marketplace
- Uncertain business environment encourages customer mergers and acquisition and possible IT consolidations that require Company talents
- Indian hardware sector growth set to accelerate after a number of government measures to encourage domestic manufacturing, and new investment incentives under consideration
- Indian government creating framework to meet ambitious targets for IT investment in different regions and NHMS mission in health care industry

III. SEGMENT WISE OR PRODUCT WISE PERFORMANCE AND DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company forecast its excellent growth in Heath Care, Retail Industry, Educations, Energy, E-Governance and Government departments in the coming days.

Financial Performance/Overview

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

The financial statements presented in the Accounts and notes on accounts thereon are self explanatory, however, material changes, if any, discussed under the relevant head.

Share Capital: The paid up Equity share capital of the company is Rs. 25,42,36,670/- divided into 25423667 equity shares of Rs. 10/- each.

Dividend: Board of Directors have recommended a dividend of Re. 1/-per Equity share (10%) on face value of Rs. 10/- per share for the financial year ended 31st March 2010. The dividend, if declared as above, would involve an outflow of Rs. 2,54,23,667/- towards dividend and Rs. 43,20,752/- towards dividend tax, resulting in a total outflow of Rs. 2,97,44,419/-. Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/ lending institutions approval. The provision for current dividend tax is provided in the accounts.

Reserves: The dividend proposed by your Company is 10% of the paid up capital, hence an amount of Rs. 63,55,917 transferred to the General Reserves from Profit & Loss Account as per provisions of the Companies (Transfer of Profits to Reserves) Rules, 1975.

Goodwill written off: The Company has debited the amount of Rs. 1,22,63,600/- towards the one fifth Goodwill written off for the year 2009-10 being the goodwill arised on merger of Lanco Global Systems Inc.

Operations: In spite of severe financial crisis and recession in the global market which had a direct bearing on company's business, your company could withstand the turbulences and maintained better performance and working in progressive direction. During the year under review, the standalone total income was Rs. 23,713.69 lakhs as against Rs. 18,915.57 lakhs in the previous year. The consolidated total income was Rs.38,085.84 lakhs as against Rs. 29,860.06 in previous year.

Loans: The Term Loan Amounting to Rs. 500 Lacs, Working Capital of Rs. 4500 lakhs and Bank Guarantee of Rs. 400 Lakhs from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors. The Factoring facility of Rs. 1750 lakhs from SBI Global Factors Ltd is secured by the hypothecation of Book Debts present and future on all the approved debtors as mentioned in the sanction letter and Personal guarantee of Directors and Corporate guarantee from their company. Working Capital of Rs. 3000 Lakhs, Term Loan of Rs. 400 lakhs and Bank Guarantee of Rs. 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors

Investments: During the year, the company invested Rs. 5017.31 Lakhs (USD 10.88 millions) in its subsidiary namely, Global IT Inc, which is related party transaction and accordingly necessary approvals taken from Board/authorities wherever necessary. All Investments are unquoted Equity Shares only.

Sale of software: During the year your company recorded transaction of sale of software to its subsidiary namely Tech Orbit Inc., for Rs. 13.54 lakhs, and Global IT Inc for Rs. 5.42 Lakhs which are related party transaction, the same was placed before the Audit Committee and Board.

Liabilities: The deferred income tax provision for the current year amounts to Rs. 24,95,479/- towards deferred income tax liability. (Previous year Rs. 11,43,613/- towards deferred income tax Liability). Contingent liability of Rs. 27,00,000/- as on 31st March 2010 towards Bank Guarantee given to different parties for Tender participation.

IV. RISKS AND CONCERNS

Your company has following risks and concerns generally:

a) Global economic slowdown and rising costs impacts on consumer and business Sentiment

b) Uncertain business environment encourages customer mergers and acquisition and possible IT consolidations

c) Decreases in IT budgets, volatility in currencies and withdrawal of tax benefits.

d) Competition from China and other Asian countries for global BPO market share

e) As the Company predominantly has operations outside India, any regulatory or legislative changes in other countries will pose a risk which may affect the operations of the Company

f) The global operations expose the Company to complex management, foreign currency, legal, tax and economic risks

g) Moves to stimulate the hardware sector are having mixed results

h) Rising elements of cost, and countering the wage inflation averaging 10-15 per cent annually is a concern in the IT sector, however, companies are able to leverage declines in telecom and other overhead costs, and increase in productivity gains and economies of scale to sustain the cost arbitrage

i) Skilled manpower, considered as a key to offshore success, has remained one of the key concerns and challenges for the country's IT sector and to add attrition of skilled employees both onsite and off-shore is one of the growing concern.

j) Having apt IT and management skills, in fact, is assuming an ever-greater importance, in the current day environment. The company has laid out a strategy to build world class competencies through internal trainings, lateral recruitments, employee retention practices and competency development plans in the new dimension technologies.

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up at its meetings.

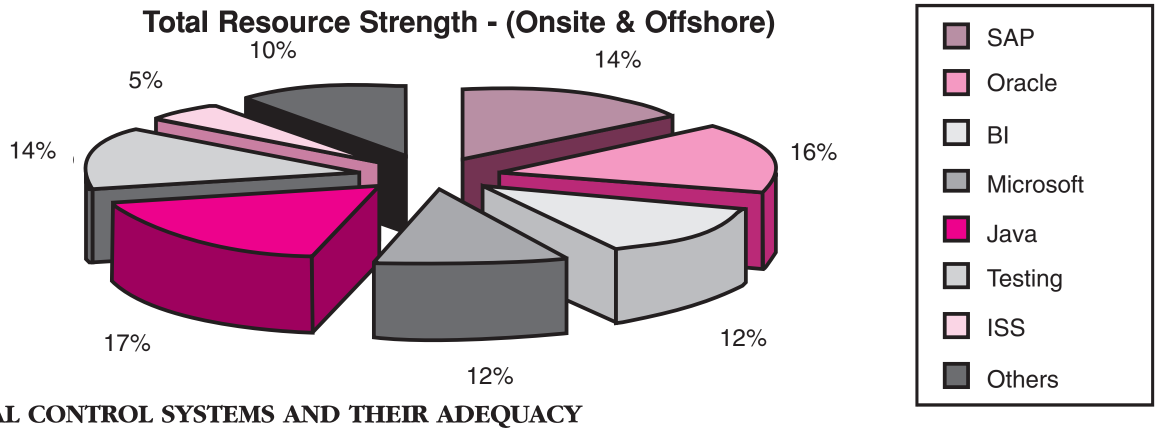
V. MATERIAL DEVELOPMENTS IN HUMAN RELATIONS / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Headquartered in Hyderabad, India, we have our worldwide offices at the following locations.

INDIA OFFICE 8-2-293/82/A/796/B, Road No. 36, Jubilee Hills, Hyderabad - 500 033, A. P.	**INDIA OFFICE - SEZ UNIT** Block - 401, Building No. 14, Survey No. 64, Mindspace, Cyberabad, Madhapur, Hyderabad - 500 081, A. P.	**USA OFFICE** **Sterling, Virginia** 21351 Gentry Dr. Suite 110-A, Sterling, VA 20166
UK OFFICE Suite # 508 1 Alie Street London E1 8DE	**EUROPE** Odpowiedzialnoscia 00-124 Warszawa Rondo ONZ 1	

Human resources

The employees of the company are the prime assets of your company. As a continuous process, your Company added senior talent and capabilities to cater to the growth phase of the company. The diagram given below depicts fair idea about resources distribution segment wise.



VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company, with regard to internal control systems and their adequacy, has put in place effective systems and their strict implementation to ensure that assets and interests of the company are safeguarded. Checks and balances are in place to determine the accuracy and reliability of accounting data.

The company has internal audit, an independent appraisal function to examine and evaluate the adequacy and effectiveness of the company's internal control system. It appraises, periodically, its activities and audit findings to the audit committee, statutory auditors and the management.

Internal audit ensures that systems are designed and implemented with adequate internal controls, commensurate with the size and operations; transactions are executed in accordance with the company's policies and authorizations; assets are safeguarded and deployed in accordance with company's policies and authorizations; adequacy of internal controls in all existing policies and procedures of the company.

VII. CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute forward looking statement with in the meaning of applicable laws and regulations. Actual results might differ marginally or materially from those either expressed or implied. Readers are cautioned not to place undue reliance on these forward looking statements. The Report should be read in conjunction with our financial statements included herein and the note thereto.

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala
Managing Director

Venkateswara Rao Kadiyala
Joint Managing Director

Place : Hyderabad
Date : 11.11.2010

Corporate Governance

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and enhance shareholder value keeping in view the interest of all stake-holders. The Company stands by transparency in all its dealings and strict regulatory compliance.

II. BOARD OF DIRECTORS

(a) Your Company has optimum combination of executive, non executive, independent and non independent directors in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Your Company has total strength of 5 (including one Alternate Director) directors consisting of 2 Executive Directors and 2 Non Executive Independent directors.

(b) None of the directors on the Board is a member of more than 10 committees or chairman of more than 5 committees as specified in Clause 49, across all the companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as at March 31, 2010 have been made by the directors.

All Independent Directors comply with the requirements of the Listing Agreement for being categorized as Independent Director. The composition of Board is as follows:

Name of the Director	Category	Designation	No. of Directorships in other Public Companies	No. of Committees positions held in other Public Companies	
				Chairman	Member
Mr. K. Venkata Subba Rao	Promoter & Executive Director	Managing Director	2	Nil	Nil
Mr. K. Venkateswara Rao	Promoter & Executive Director	Joint Managing Director	2	Nil	Nil
Dr. Prasada Rao VDM Ravella	Non Executive Independent Director	Director	1	Nil	Nil
Mr. B. Anand #	Non Executive Independent Director	Alternate Director	1	Nil	Nil
Mr. V. Pradeep Kumar Dev	Non Executive Independent Director	Director	2	Nil	Nil

Alternate Director to Dr. Prasada Rao VDM Ravella

(c) The details of category of directorship, attendance of board meetings and last Annual General Meeting during the year, number of directorships, committee chairmanships and memberships held by the directors in other companies furnished herewith. Other directorships do not include alternative directorships, directorships of Private Limited Companies, Section 25 companies and of companies incorporated outside India. Chairmanship / membership of Board Committees include only Audit Committee and the Shareholder's Grievance Committee.

(d) Five Board Meetings were held during the financial year ended 31st March 2010. Your Company has complied with all the requirements in terms of Listing Agreement and Companies Act, 1956 in respect of Board Meetings. The dates on which the Meetings were held are as follows:

1. April 29, 2009
2. July 29, 2009
3. October 30, 2009
4. November 18, 2009
5. January 30, 2010

Name of the Director	No. of Board Meetings (during the year 2009-10)		Whether attended last AGM held on 30.12.2009
	Held	Attended	
Mr. K. Venkata Subba Rao	5	5	YES
Mr. K. Venkateswara Rao	5	4	YES
Mr. B. Anand #	5	5	NO
Mr. V. Pradeep Kumar Dev	5	4	YES
Mr. G. Ramesh*	5	5	NO
Mr. Asokan Ganapathy$	2	0	NO

Alternate Director to Dr. Prasada Rao VDM Ravella

* Resigned on April 16, 2010

$ Resigned on October 27, 2009

Leave of absence has been granted to the directors for the Board meetings not attended by them.

(e) The Board meetings are generally held at least once in a quarter, amongst others for consideration of the financial results. Besides this, additional Board meetings are also convened to address the specific requirements of the Company, as and when the need arises. The urgent items, if any, are approved by passing resolutions through circulation by the Board. Agenda papers along with detailed notes are circulated to the Directors in advance for each of these meetings. All relevant information, as required was placed before the Board from time to time. The minutes of meetings of Board and Committees are circulated to the members of the meeting for their confirmation.

(f) None of the non-executive Independent directors has any pecuniary or material relationship or transaction with the Company.

Notes:

(i) The members in their 10th AGM held on 30th December, 2009 approved the following change in designations w. e. f. November 18, 2009 for the remaining period of tenure upto July 27, 2011 :
Mr. K. Venkata Subba Rao as Managing Director and Mr. K. Venkateswara Rao as Joint Managing Director

(ii) Mr. Ramesh Gorantla resigned with effect from April 16, 2010.

(g) **Board Committees**

To enable better management of the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose. The proceedings of the meetings of the Committees are circulated to the Board. The Minutes of the Committee meetings are placed before the Board for its adoption.

III. AUDIT COMMITTEE

(a) The Audit Committee of the company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

(b) The brief description of terms of reference of the Audit Committee is as under:

i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

ii) Recommending the appointment and removal of external auditor, fixation of their audit fee and also approval for repayment for any other services.

iii) Reviewing with management the quarterly and annual financial statements before submission to the Board.

iv) Reviewing the adequacy of Internal Control Systems and Internal Audit Reports and their compliance thereof etc.

(c) The Audit Committee meetings are usually held at the registered office of the Company and are usually attended by the Statutory Auditors, Vice President (F&A) apart from Committee members. Other functional heads and special invitees are invited to the meetings, as required. The Company Secretary acts as Secretary of the Committee.

(d) The Quarterly and Annual financial results of the Company were reviewed by the Audit Committee before consideration and approval by the Board of Directors. The Committee reviewed the adequacy of Internal Control Systems and the various compliances.

(e) The Chairman of the Audit Committee Mr. Pradeep Kumar Dev attended the previous Annual General Meeting of the Company held on 30th December, 2009 in terms of Clause 49 of the Listing Agreement.

(f) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

The Audit Committee comprises of 2 Non Executive Independent Directors and One Executive Director. Mr. V. Pradeep Kumar Dev, Non Executive Independent Director is the Chairman of the Audit Committee. Mr. Pradeep is holder of Master of Business Administration and having rich experience in Finance & Accounting.

Five Audit Committee Meetings were held during the financial year ended 31st March 2010. The dates on which the Meetings were held are as follows:

29.04.2009, 29.07.2009, 30.10.2009, 18.11.2009 and 30.01.2010

Name of the Member	Status in the Committee	No.of Meetings (during the year 2009-10)	
		Held	Attended
Mr. V. Pradeep Kumar Dev	Chairman	5	4
Mr. K. Venkateswara Rao	Member	3	3
Mr. G. Ramesh $	Member	5	5
Mr. B. Anand *	Member	5	5

* Mr B Anand is Alternate Director to Dr. Prasada Rao VDM Ravella

$ Resigned on April 16, 2010

IV. REMUNERATION & COMPENSATION COMMITTEE

Remuneration & Compensation Committee comprises of 2 (two) Non Executive Independent Directors namely Mr. B.Anand and Mr. V. Pradeep Kumar Dev. Mr. G. Ramesh had resigned from the office of Director and hence he is not a member of the Committee with effect from April 16, 2010. The terms of references of the Committee includes recommendations to the Board about Compensation and Benefits for Executive Directors, approval of stock options to employees and such other matters as may be referred to it by the Board from time to time. During the period under review no meetings were held.

Directors' Remuneration Policy

Non Executive Directors are not paid any remuneration other than sitting fee for the meetings attended by them. There are no performance linked incentives payable to any of the directors. At present, the company does not have any stock option plan as part of remuneration package for any director.

Remuneration of the Executive Director comprises of fixed component only.

During the year, the Company paid sitting fee of Rs. 500/- per meeting to its Non Executive Directors for attending meetings of the Board and Committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

Details of sitting fee paid during the year and their holding of equity shares of Rs.10/- each in the Company as on 31st March, 2010 are given below:

Name	Sitting fee (Rs) as on 31.03.2010	No. of Shares held as on 31.03.2010
Mr. K Venkateswara Rao	NIL	713963
Mr. K Venkata Subba Rao	NIL	713963
Mr. G Ramesh $	5000	NIL
Mr. B Anand (Alternate Director)	5000	NIL
Mr. V Pradeep Kumar Dev	4000	NIL

$ Resigned on April 16, 2010

Remuneration paid to the Whole time Directors for the year ended 31st March 2010

(Amount in Rupees)

Name	Designation	Salary	Contribution to P. F.	Others	Total Amount
Mr. K. Venkata Subba Rao	Managing Director	120000	Nil	Nil	120000
Mr. K. Venkateswara Rao	Joint Managing Director	120000	Nil	Nil	120000

V. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

(i) Constitution and Composition

Shareholders/Investors Grievance committee had been constituted to look into and redress the grievances of the shareholders and investors pertaining to transfer of shares, non-receipt of Annual Reports etc.

Composition of Shareholders/Investors Grievance Committee are as follows:

Name of the Member	Status	Category
Mr. V. Pradeep Kumar Dev	Chairman	Non Executive and Independent
Mr. K. Venkateswara Rao	Member	Executive and Non Independent
Mr. B. Anand*	Member	Non Executive and Independent

* Mr. B. Anand is the Alternate Director to Dr. Prasada Rao VDM Ravella

Mr. G. Ramesh had resigned from the office of Director and hence he is not a member of the Shareholder's/ Investors Grievance Committee with effect from April 16, 2010.

Mr. B. Anand has been appointed as member with effect from May 3, 2010.

(ii) Name and Designation of the Compliance Officer

Mr. M. Jagadeeshwara Rao, Company Secretary.

(iii) No. of Shareholders complaints received during the year 2009-10 and the Status of Investor's Requests / Complaints:

During the year 2009-10 total 39 requests/letters were received from the shareholders and all were disposed off during the year.

INVESTOR REQUEST/GRIEVANCES REPORT FOR THE PERIOD 01.04.2009 TO 31.03.2010

Sl.	Particulars	Receipt	Resolved	Pending
A.	**REQUESTS**			
	a. Change/Correction of address	12	12	0
	b. Change/Correction of Bank Mandate	0	0	0
	c. Change of company name stickers	0	0	0
	d. Receipt of D/W for revalidation/correction of Bank mandate	5	5	0
	e. Registration of Power of Attorney	0	0	0
	f. Request for ECS facility (Electronic Clearance Services)	14	14	0
	g. Loss of securities and request for issue of duplicate s/c	1	1	0
	h. Receipt of I/B and affidavit for issue of duplicate securities	0	0	0
	i. Request for stop transfer of securities	0	0	0
	j. Request for Fully paidup shares	1	1	0
	k. Request for issue of duplicate dividend warrants	0	0	0
	l. Deletion of joint name due to death	0	0	0
	m. Request for transmission	0	0	0
	n. Request for transposition	0	0	0
	o. Status of Shares	1	1	0
	p. Specimen Sign change/not mentioned in Appln&intimation of the same	0	0	0
	TOTAL	**34**	**34**	**0**
B.	**COMPLAINTS**			
	a. Non receipt of dividend warrants	3	3	0
	b. Non receipt of Annual reports	0	0	0
	c. Complaints from Stock Exchanges	0	0	0
	d. Complaints from SEBI	1	1	0
	e. Legal Notice	0	0	0
	f. Non receipt of refund order	0	0	0
	g. Correction of name on Securities	0	0	0
	h. Non receipt of shares	1	1	0
	TOTAL	**5**	**5**	**0**
	GRAND TOTAL (A+B)	**39**	**39**	**0**

No. of complaints pending at the beginning of the year	:	NIL
No. of complaints received but not solved	:	NIL
No. of complaints pending at the end of the year	:	NIL

VI. MANAGEMENT COMMITTEE

The Management Committee was constituted by the Board in its meeting held on January 30, 2009 for exercising such powers as delegated by the Board from time to time in order to deal with administrative and routine matters and to take decisions in urgent situations to avoid delays. The Management Committee meets as and when necessary and the minutes of the meetings are taken on record by the Board.

Following are the members in the Management Committee.

Name of the Member	Status	Category
Mr. K. Venkata Subba Rao	Member	Executive and Non Independent
Mr. K. Venkateswara Rao	Member	Executive and Non Independent
Mr. V. Pradeep Kumar Dev	Member	Non Executive and Independent

VII. SUBSIDIARY COMPANIES

The Company has no material non listed Indian Subsidiary Company and, therefore, the requirement of inducting an Independent Director on the Board of Directors of the Subsidiary Company does not arise. However, the Company has three foreign Subsidiaries namely Global IT Inc, Techorbit Inc and LGS Global FZE.

VIII. DISCLOSURES

i) ***Related Party Transactions:*** There were no materially significant related party transactions having potential conflict with the interests of the Company at large. However, transactions with the Related Parties are disclosed in note No.5 of the Schedule 15 (B) to the Accounts in the Annual Report. The Audit Committee and Board consider related party transactions at their meetings.

ii) ***Accounting Treatment:*** There is no different Accounting treatment from the prescribed Accounting standards.

iii) ***Risk Management:*** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up at its meetings.

iv) ***Strictures and Penalties:*** There has not been any non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

v) ***Compliance:*** At every Board Meeting statements of compliance with all laws and regulations as certified by the Managing Director and the Company Secretary are placed for review by the Board. The Board considers all materially important show causes / demand notices received from statutory authorities and the steps / action taken by the Company in this regard. The Board reviews the compliance of all the applicable laws and gives appropriate directions, wherever necessary.

vi) ***Code of Conduct:*** The Board of Directors have laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code have been posted on the website of the Company. Annual declaration is obtained from every person covered by the Code. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the company while in possession of the unpublished price sensitive information in relation to the company. In accordance with this Code, the Company closes the trading window for designated employees from time to time. As per the Code, trading window is closed from the prescribed day before the Board meeting and opened after 24 hours of conclusion of Board meeting in which the financial results or any other price sensitive information is being considered by the Board.

vii) ***MD and Head of Finance Certification:*** The MD and Head of Finance have given certificates to the Board as contemplated in Clause 49 of the Listing Agreement.

viii) ***Mandatory Requirements:*** All the Mandatory requirements as to Corporate Governance have been complied with.

ix) ***Non Mandatory Requirements:*** The Company has complied with all the mandatory requirements of the clause 49 of the Listing Agreement. Board has constituted a Remuneration and Compensation Committee, the details of which are given in this report. This year the company has unqualified financial statements.

x) ***Whistle Blower policy***: Though the Company does not have whistle blower policy, no person is denied access to the Audit Committee.

xi) ***Financial statements:*** In the preparation of the consolidated financial statements the company has adopted certain principle in line with interpretation given by International Financial Reporting Standards. The same has been disclosed in the notes to the consolidated financial statements.

xii) ***Secretarial Audit:*** A qualified Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Secretarial Audit Report submitted to Stock Exchanges for every quarter within one month from the end of the quarter.

IX. MEANS OF COMMUNICATION

i) ***Quarterly Disclosures:*** Quarterly un-audited financial results/yearly audited financial results are published in "Business Standard / The Financial Express" (English daily) and 'Surya / Andhra Prabha" (Telugu daily) newspapers.

ii) ***News Releases, Presentation etc.:*** Official news releases, presentations made to media are displayed on the company's website www.lgsglobal.com

iii) ***Website:*** The Company's website www.lgsglobal.com contains a separate dedicated section "Investors" where shareholders information is available. The soft copies of Annual Reports, Announcements, Meetings, Notices, press release, Financial results, live stock quotes from BSE is available on website in a user-friendly and downloadable form.

iv) ***Annual Report:*** Annual Report containing inter alia, Director's Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to members and other entitled thereto.

v) ***Designated exclusive E-mail ID:*** The Company has designated the following E-mail ID exclusively for investor servicing investor.services@lgsglobal.com

vi) ***Management Discussion & Analysis:*** The detailed report is forming part of this Annual Report.

X. PAST THREE ANNUAL GENERAL BODY MEETINGS

(i) Location and time, where last three AGMs held:

Year	Location	Date	Time
2008-09	K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad, Andhra Pradesh.	December 30, 2009	11.00 A.M.
2007-08	K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad, Andhra Pradesh.	September 30, 2008	11.00 A.M
2006-07	K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad, Andhra Pradesh.	December 29, 2007	11.00 A.M

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Date	Description of Special Resolution passed
30.12.2009	(i) Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad.
30.09.2008	(i) Amendment to the Article 89 and insertion of Article 112A in the Articles of Association of the company.
	(ii) Change in the name of the company from Lanco Global Systems Limited to LGS Global Limited.
	(iii) Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad.
29.12.2007	(i) Amendment to the Article 83 of the Articles of Association
	(ii) Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad.
	(iii) Consent of the members accorded to Board of Directors to exercise the powers u/s 372A of the Companies Act, 1956 for investment of the funds upto Rs. 300 Crores.

(iii) Postal Ballot: No Postal Ballot was conducted during the year.

Procedure for postal ballot: The Company generally adopts the following procedure while conducting the Postal Ballot:

(a) The Board of directors identifies and approves the nature of transactions for which approval has to be sought from the shareholders by way of postal ballot.

(b) Board of directors appoints a qualified professional as prescribed under the Companies Act, 1956 and the rules made there under as the scrutinizer to conduct the postal ballot procedure in a fair and transparent manner.

(c) The Board of directors approves the calendar of events which inter alia includes the details regarding the date of dispatch of the notice, the last date to receive the assent or dissent ballot forms and the date of declaration of the results.

(d) The Board of directors approves the notice to be circulated to the members under Section 192A of the Companies Act, 1956 together with the explanatory statement and the postal ballot form.

(e) Board of directors nominates any one of the Executive Directors and the Company Secretary to be responsible to the conducting the postal ballot process.

(f) The scrutinizer submits his report to the Chairman on the date of declaration of results.

XI. GENERAL SHAREHOLDERS INFORMATION

(i) Eleventh Annual General Meeting

Date and Time	**Friday, December 24, 2010 at 11.00 a.m.**
Venue	**K L N PRASAD AUDITORIUM,** The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, Post Box No.14, Hyderabad- 500 004 Phones: 040-23395515-22; Fax: 040-23395525; website: www.fapcci.in

(ii) Financial Calendar for the Year 2010-11 (tentative)

Financial reporting for the quarter ended	On or Before end of the
June 30, 2010	August 15, 2010
September 30, 2010	November 15, 2010
December 31, 2010	February 15, 2011
March 31, 2011	May 15, 2011
AGM for the year ending March 31, 2011	September 30, 2011
Dividend payment	The dividend, if declared, shall be paid / credited within the statutory period.

(iii) Book Closure Dates : 21.12.2010 to 24.12.2010 (both days inclusive)

(iv) Dividend Payment Date : if, declared, within 30 days from the date of AGM

(v) Listing on Stock Exchanges : The Bombay Stock Exchange Limited (BSE), Mumbai
The Madras Stock Exchange Limited, (MSE), Chennai

(vi) Listing fee : The Company has paid the listing fee for the financial year 2010-11

(vii) Annual Custodial fee : the Company has paid the Annual Custodial fee to the Depositories for the financial year 2010-11.

(viii) Stock Code:

Exchange	Stock Code	Scrip Code
Bombay Stock Exchange Limited (BSE)	LGSGLOBAL	532368

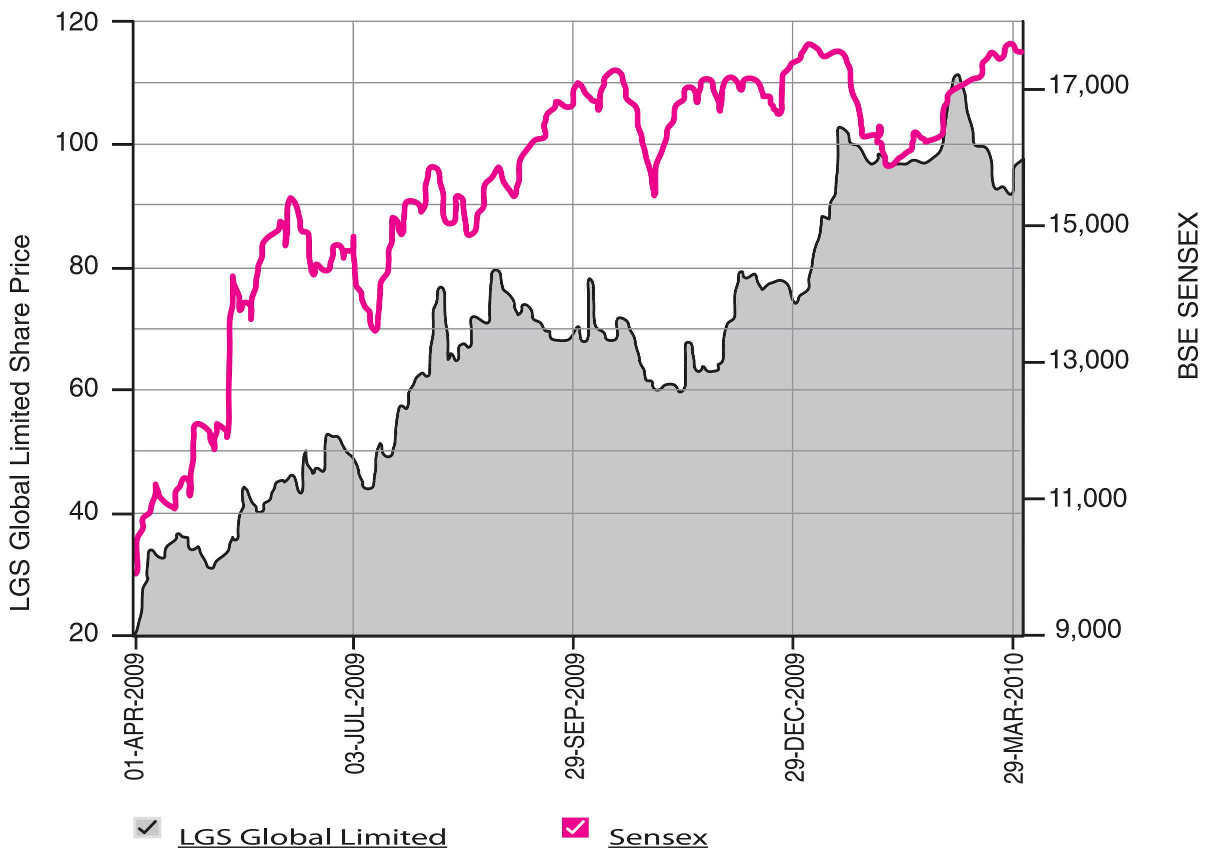
(ix) ISIN Code : INE425B01019

(x) Stock Market Data

Monthly High/Low of Market price of the Company's shares traded in BSE and performance in comparison to BSE Sensex during the period from April, 2009 to March, 2010 is furnished below.

Bombay Stock Exchange Limited, Mumbai Share Prices (In Rs.)			BSE Sensex	
Month	High	Low	High	Low
April '09	40.70	20.10	11,492.10	9,546.29
May '09	51.50	27.50	14,930.54	11,621.30
June '09	56.80	39.50	15,600.30	14,016.95
July '09	67.00	41.55	15,732.81	13,219.99
August '09	84.70	61.20	16,002.46	14,684.45
September '09	85.00	65.10	17,142.52	15,356.72
October '09	82.50	60.00	17,493.17	15,805.20
November '09	71.50	58.05	17,290.48	15,330.56
December '09	82.85	65.30	17,530.94	16,577.78
January '10	107.80	74.30	17,790.33	15,982.08
February '10	104.20	95.00	16,669.25	15,651.99
March '10	114.50	90.50	17,793.01	16,438.45

Start Date: 01.04.2009 **End Date: 31.03.2010**



(xi) Registrar & Share Transfer Agent

Aarthi Consultants Private Limited, whose address is given below, is the Registrar & Share Transfer Agent of the Company for looking after the work related to share registry.

Contact Person: Mr. G Bhaskar, Manager
AARTHI CONSULTANTS PRIVATE LIMITED,
(Unit: LGS Global Limited)
1-2-285, Domalguda, Hyderabad - 500 029. A.P. India.
Phone : +91-40-27634445, 27638111, 27642217, 66611921
Fax : +91-40-27632184, Email : info@aarthiconsultants.com; aarthiconsultants@gmail.com
Website: www.aarthiconsultants.com

(xii) Share Transfer System

The Board has delegated the power of share transfer to Registrar and Share Transfer Agent (RTA) i.e **AARTHI CONSULTANTS PRIVATE LIMITED,** at the address given above.

81% of the shares of the company are in electronic form as on September 30, 2010. Transfer of these shares is done through the depositories with no involvement of the company. As regards transfer of shares held in physical form the transfer documents can be lodged with Registrar & Transfer Agent i.e **AARTHI CONSULTANTS PRIVATE LIMITED** at above mentioned address.

Shares lodged for physical transfer would be registered within a period of twelve days, on proactive measure and duly transferred would be dispatched to the concerned shareholders within a week from the date of approval of transfer by the committee. For this purpose, the Shareholders/Investors Grievance Committee meet often as required. Adequate care is taken to ensure that no transfers are pending for more than stipulated period.

The shareholders are advised to contact the Registrars and Share Transfer Agents at their address for effecting transfer of shares or other matters related to shares held in physical mode. All correspondence relating to share transfers, transmission, dematerialization, dividends, and change of address can also be made at the above address.

Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis are issued by a Company Secretary in Practice for due compliance with share transfer formalities by the company.

Pursuant to the SEBI (Depositories and Participants) Regulations, 1996, certificates have been received from a Company Secretary in Practice for timely dematerialization of the company’s shares and for conducting a Reconciliation of Share Capital Audit on a quarterly basis for reconciliation of the company’s share capital.

(xiii)(a) **Distribution of Shareholding as on 31st March, 2010**

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2367	85	354237	1.39
5001 - 10000	164	6	133784	0.53
10001 - 20000	91	3	153314	0.6
20001 - 30000	31	1	75098	0.3
30001 - 40000	22	1	78378	0.31
40001 - 50000	21	1	102016	0.4
50001 - 100000	25	1	178011	0.7
100000 & Above	72	3	24348829	95.77
TOTAL	**2793**	**100**	**25423667**	**100**

(b) **Shareholding pattern as on 31st March, 2010:**

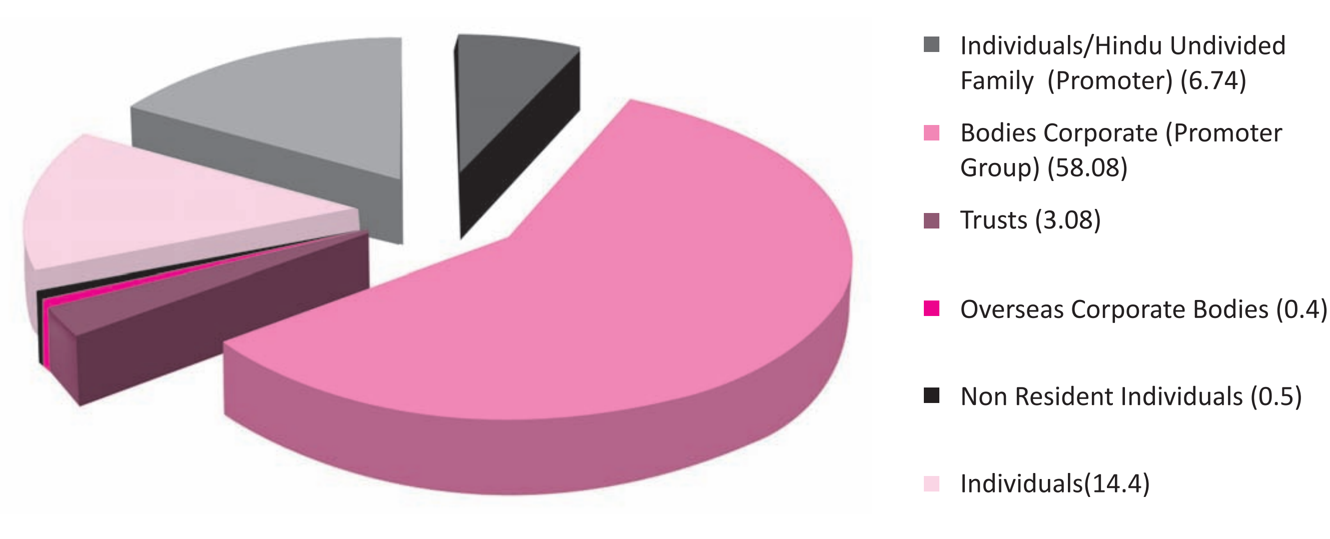
Shareholders		Number of Shares		Total Shareholding as a % of total no. of shares
Category	No.	Total	Dematerialized	
A. Promoters Shareholding				
Indian Individuals	5	1713864	1713864	6.74
Foreign Bodies Corporate	4	14766667	10445559	58.08
Total Promoters Shareholding	9	16480531	12159423	64.82
B. Public Shareholding				
Bodies Corporate	148	4271252	3945752	16.8
Individual Shareholders holding nominal share capital				
- upto Rs. 1 Lakh	2574	905914	834577	3.56
- in excess of Rs. 1 Lakh	32	2747115	2712682	10.81
Non Resident Individuals	14	128190	128190	0.5
Overseas Corporate Bodies	1	100000	0	0.39
Trusts	1	783509	783509	3.08
Clearing Members	14	7156	7156	0.03
Total Public Shareholding	2784	8943136	8411866	35.18
GRAND TOTAL	**2793**	**25423667**	**20571289**	**100**

(c) Distribution of Shareholding as on 30th September, 2010:

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2691	83	401129	1.58
5001 - 10000	228	7	187669	0.74
10001 - 20000	113	3	184061	0.72
20001 - 30000	51	2	129463	0.51
30001 - 40000	19	1	70068	0.28
40001 - 50000	31	1	148978	0.59
50001 - 100000	37	1	263197	1.04
100000 & Above	68	2	24039102	94.55
TOTAL	**3238**	**100**	**25423667**	**100**

(d) Shareholding pattern as on 30th September, 2010:

Shareholders		Number of Shares		Total Shareholding as a % of total no. of shares
Category	No.	Total	Dematerialized	
A. Promoters Shareholding				
Indian Individuals	4	1627925	1627925	6.4
Foreign Bodies Corporate	4	14766667	10445559	58.08
Total Promoters Shareholding	8	16394592	12073484	64.49
B. Public Shareholding				
Bodies Corporate	186	4027902	3702402	15.84
Individual Shareholders holding nominal share capital				
- upto Rs. 1 Lakh	2956	1110508	1041070	4.37
- in excess of Rs. 1 Lakh	26	2880828	2846395	11.33
Non Resident Individuals	19	29225	29225	0.11
Overseas Corporate Bodies	2	100200	200	0.39
Trusts	1	783509	783509	3.08
Clearing Members	40	96903	96903	0.38
Total Public Shareholding	3230	9029075	8499704	35.51
GRAND TOTAL	**3238**	**25423667**	**20573188**	**100**



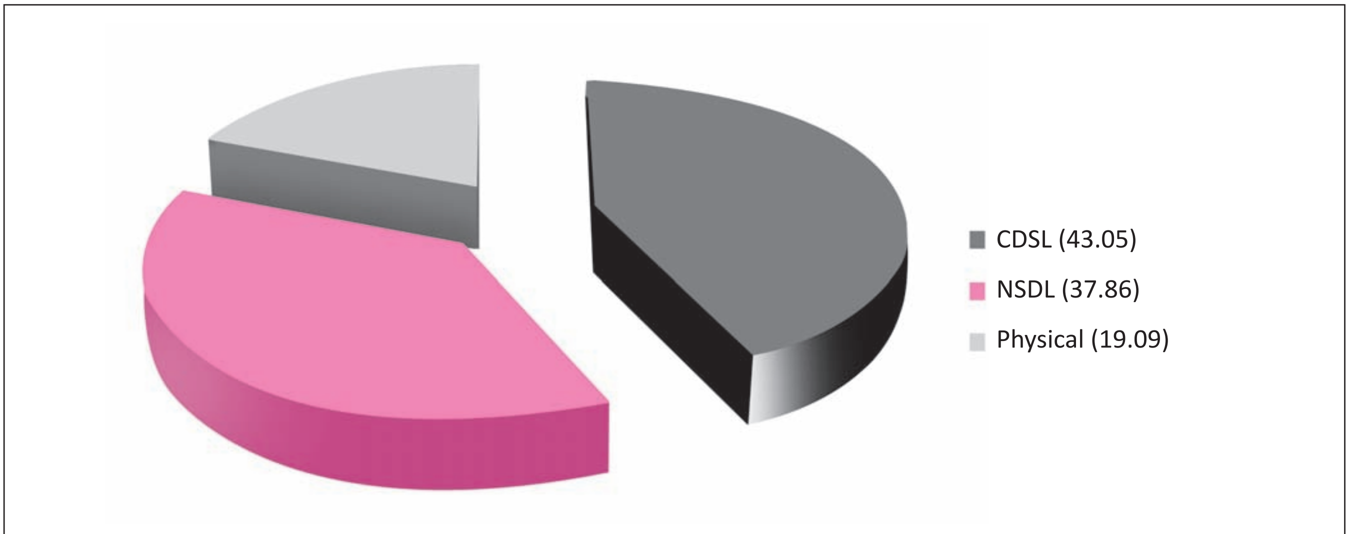
Source: *March, 2010*

(xiv) Dematerialization of Shares and Liquidity

Since the Company has entered into an agreement with both the depositories namely NSDL and CDSL for dematerialization of its shares, the shareholders of the company have the choice to get dematerialize their shares and keep them in dematerialized form with either of the depository participants.

The status of dematerialized shares is as following:

Date	No. of shares	% to the total paid up share capital
31.03.2010	20571289	80.91
30.09.2010	20573188	80.92



Source: *March, 2010*

(xv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

No such instruments have been issued by the Company.

(xvi) Address for Correspondence

Registered Office:
LGS Global Limited
8-2-293/82/A/796/B
Road No.36, Jubilee Hills,
Hyderabad - 500 033, A. P.
Phone No. 040 - 6699 0000
Fax No. 040 - 6699 4444
Email: info@lgsglobal.com | Website: www.lgsglobal.com

(xvii) Locations

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and Abroad and does not have any manufacturing plant. However, the addresses of such offices are given elsewhere in this report.

(xviii) Corporate Identity Number (CIN)

Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs (MCA), Government of India is L64203AP1999PLC030996 and the company registration number is 030996. The Company is registered in the State of Andhra Pradesh.

XII. OTHER INFORMATION

(i) Unclaimed Dividends

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed for the period of seven years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

However, in the instant case, there are no dividends that are unclaimed and due to be transferred to the Investor Education and Protection Fund administered by the Central Government. We furnish below a table providing the date(s) of declaration and corresponding date when the unclaimed dividend is due to be transferred to the Central Government pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of dividend	Last date for claiming unpaid dividend	Total Unclaimed amount as on 31st March, 2010	Due date for transfer to Investor Education and Protection Fund
2008-2009	30th December, 2009	29th December, 2016	Rs. 80,474	05th February, 2017
2007-2008	30th September, 2008	29th September, 2015	Rs. 100,307	05th November, 2015

Members are requested to correspond with the Registrar and Share Transfer Agent M/s. Aarthi Consultants Pvt. Ltd., Hyderabad for en-cashing the unclaimed dividend if any, standing to their credit. No claims shall lie against the said Fund or against the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims after the period of seven years from the date of declaration of such dividend.

(ii) Electronic Clearing Service/Mandates/Bank details

The members may please note that Electronic Clearing Service (ECS) details contained in the BENPOS downloaded from NSDL and CDSL would be reckoned for dividend whenever declared. Shareholders desirous of modifying those instructions should write to their respective Depository Participants (DP).

(iii) Nomination in case of shares held in physical form

The Companies (Amendment) Act, 1999 has introduced through Section 109A, the facility of nomination to the shareholders. The facility is mainly useful for all those holding the shares in single name. In cases where the shares are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors are advised to avail of this facility, especially investors holding shares in single name.

The nomination form may be had on request from the company's Registrar & Transfer Agent for the shares held in physical form. For the shares held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala
Managing Director

Venkateswara Rao Kadiyala
Joint Managing Director

Place : Hyderabad
Date : 11.11.2010

CEO & CFO CERTIFICATE

To
The Board of Directors
LGS GLOBAL LIMITED
(Formerly Lanco Global Systems Limited)

We, the undersigned, in our respective capacities as Managing Director and Vice President (F&A) of LGS GLOBAL LIMITED (formerly Lanco Global Systems Limited) ("the Company"), to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2010 and based on our knowledge and belief, we state that:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

   (i) significant changes, if any, in the internal control over financial reporting during the year;

   (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

(e) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

For **LGS GLOBAL LIMITED**

Venkata Subba Rao Karusala
Managing Director

Y Srinivasa Rao
Vice President (F & A)

Place : Hyderabad
Date : 11.11.2010

CERTIFICATE FROM MANAGING DIRECTOR FOR COMPLIANCE WITH CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

This is to confirm that M/s. LGS GLOBAL LIMITED (formerly Lanco Global Systems Limited) has put in place the Code of Conduct for the Board of Directors and Senior Management. This code is applicable to all the Directors of the Company and the Members of Senior Management. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management as on March 31, 2010. The Company has complied with the provisions of the Listing Agreement in this respect.

for **LGS GLOBAL LIMITED**

Date : Hyderabad
Place : 11.11.2010

Venkata Subba Rao Karusala
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
LGS GLOBAL LIMITED
(Formerly Lanco Global Systems Limited)
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of LGS GLOBAL LIMITED (formerly Lanco Global Systems Limited) ("the company") for the year ended 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 the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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 **P. Murali & Co.,**
Chartered Accountants

Place : Hyderabad
Date : 11.11.2010

P. Murali Mohana Rao
Partner
Membership No.23412

Auditors' Report

To
The Members,
LGS GLOBAL LIMITED

We have audited the attached Balance Sheet of **LGS GLOBAL LIMITED** as at 31st March, 2010 and also the Profit & Loss Account for the year ended on the date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion .

As required by the Companies (Auditors Report) Order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit ;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;

(iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account ;

(iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956 ;

(v) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March , 2010 from being appointed Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956 ;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;

(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 & Loss Account, of the Profit for the year ended on that date;

And

(c) In the case of the Cash Flow, of the cash flows for the year ended on that date ;

for **P. MURALI & CO.,**
Chartered Accountants

Place : Hyderabad
Date : 09.07.2010

P. Murali Mohana Rao
Partner
FRN: 007257S

ANNEXURE TO THE AUDITORS' REPORT

I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.

(c) The Company has not disposed off substantial part of the Fixed Assets during the year.

II. The Company has no Inventory. Hence this clause is not applicable.

III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.

(b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.

(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.

(d) No loans have been granted to Companies, Firms & other parties listed in the register U/s. 301 of the Companies Act, 1956, hence overdue amount of more than rupees one lac does not arise and the clause is not applicable.

(e) The Company has not taken loans, unsecured from Companies, and other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.

(f) During the year the Company has not repaid the loans taken from to the parties listed in the register maintained under section 301 and the terms and conditions of the same are not prejudicial to the interest of company.

(g) The repayment of interest & principal amount to parties is regular.

IV. In our opinion and according to the information and explanations given to us, there are generally 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 for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.

V. According to the information and explanations given to us, as the contracts or arrangements made by the company, at a reasonable price having regard to the prevailing market prices at the relevant time .

VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A,58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.

VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.

VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.

IX. a) The Company is regular in depositing statutory dues including PF, Income Tax, and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.

b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, Income Tax, and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.

X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.

XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.

XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.

XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.

XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.

XVI. According to the information and explanations given to us, the company has obtained term loan from Axis Bank and being used for the purpose for which it has been obtained.

XVII. According to the information and explanations given to us, working capital funds are raised by the Company on short-term basis and being used for the purpose for which they raised. Hence short term funds were not utilized for long-term investment.

XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.

XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.

XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.

XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

for **P. MURALI & CO.,**
Chartered Accountants

Place : Hyderabad
Date : 09.07.2010

P. Murali Mohana Rao
Partner
FRN: 007257S

Balance Sheet as at March 31, 2010

(Amount in Rupees)

Particulars	Schedule Reference	As at March 31, 2010	As at March 31, 2009
I. SOURCES OF FUNDS			
1. Share Holders Funds			
(a) Share Capital	1	**254,236,670**	254,236,670
(b) Reserves & Surplus	2	**608,257,989**	532,664,055
2. Loan funds			
(a) Secured Loans	3	**957,217,098**	578,024,312
(b) Unsecured Loans	4	**141,050,000**	159,075,521
3. Deferred Tax Liability		**7,731,594**	5,236,115
TOTAL		**1,968,493,351**	1,529,236,673
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	**456,729,145**	365,354,247
Less: Depreciation		**133,107,581**	99,983,470
(b) Net Block		**323,621,564**	265,370,777
2. Investments	6	**725,864,532**	224,133,132
3. Current Assets, Loans & Advances			
(a) Sundry Debtors	7	**1,431,392,804**	1,750,068,017
(b) Cash and Bank Balances	8	**37,234,631**	9,027,368
(c) Loans & Advances	9	**133,692,546**	59,532,161
Less: Current Liabilities & Provisions	10	**683,605,153**	779,369,209
Net Current Assets		**918,714,828**	1,039,258,337
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	11	**292,427**	474,427
Notes on Balance Sheet and Profit & Loss Account	15		
TOTAL		**1,968,493,351**	1,529,236,673

As per our Report Attached

For and on behalf of the Board of
LGS GLOBAL LIMITED

for **P. MURALI & CO.,**
Chartered Accountants

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

P. MURALI MOHANA RAO
Partner
FRN: 007257S

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

Place : Hyderabad
Date : 09.07.2010

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

(Amount in Rupees)

Particulars	Schedule Reference	for the Year ended March 31, 2010	for the Year ended March 31, 2009
INCOME			
Export		**2,376,299,865**	1,832,459,506
Domestic		**31,154,536**	18,947,018
Other Income	12	**(36,084,922)**	40,150,185
TOTAL		**2,371,369,479**	1,891,556,709
EXPENDITURE			
Personnel Cost		**2,015,914,894**	1,433,909,302
Interest & Financial Charges	13	**103,069,624**	61,670,569
Operating & Administration Expenses	14	**85,481,977**	91,828,948
Depreciation		**33,124,110**	32,933,728
Written off Expenses		**182,000**	182,000
TOTAL		**2,237,772,605**	1,620,524,547
Profit / (Loss) before tax		**133,596,874**	271,032,162
Provision for Tax		**26,263,042**	41,929,697
Provision for FBT		**–**	679,561
Profit / (Loss) after tax		**107,333,832**	228,422,904
Provision for deferred Tax Liability		**2,495,479**	1,143,613
Profit After deferred Tax		**104,838,353**	227,279,291
Balance Brought forward		**524,808,563**	304,965,377
Amounts available for Appropriations		**629,646,916**	532,244,668
Appropriations			
Proposed Dividend on Equity		**25,423,667**	6,355,917
Corporate Dividend Tax		**4,320,752**	1,080,188
General Reserve		**6,355,917**	–
Surplus carried to Balance Sheet		**593,546,580**	524,808,563
TOTAL		**629,646,916**	532,244,668
Notes on Balance Sheet and Profit & Loss Account	15		
Earnings Per Share Basic & Diluted		**4.12**	8.94

As per our Report Attached

For and on behalf of the Board of
LGS GLOBAL LIMITED

for **P. MURALI & CO.,**
Chartered Accountants

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

P. MURALI MOHANA RAO
Partner
FRN: 007257S

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

Place : Hyderabad
Date : 09.07.2010

Schedules

(Amount in Rupees)

Particulars		As at March 31, 2010	As at March 31, 2009
SCHEDULE - I			
SHARE CAPITAL			
Authorised		**400,000,000**	400,000,000
4,00,00,000 Equity Shares of Rs.10/- each			
Issued , Subscribed and Paid Up			
25,423,667 Equity Shares of Rs.10/- each		**254,236,670**	254,236,670
TOTAL		**254,236,670**	254,236,670
SCHEDULE - 2			
RESERVES & SURPLUS			
Investment Subsidy		**2,000,000**	1,500,000
Surplus in Profit & Loss Account		**593,546,580**	524,808,563
General Reserve			
- at the commencement of the year		**6,355,492**	6,355,492
- Add: Transfer from P & L a/c		**6,355,917**	–
TOTAL		**608,257,989**	532,664,055
SCHEDULE - 3			
SECURED LOANS			
Working Capital - Axis Bank		**452,535,058**	346,205,145
Working Capital - SBIGF Ltd		**169,355,209**	180,678,869
Working Capital - SBI		**301,432,194**	
Term Loan - Axis Bank	**33,200,000**		
Add: Interest Accrued and Due	**353,479**	**33,553,479**	50,573,509
Axis Bank - Car Loan		**341,158**	566,789
TOTAL		**957,217,098**	578,024,312
SCHEDULE - 4			
UNSECURED LOANS			
Other Loans & Advances			
i) From Banks		**–**	–
ii) From Others			
Infinite India Pvt Ltd		**1,116,000**	1,116,000
Others		**139,934,000**	157,959,521
TOTAL		**141,050,000**	159,075,521

SCHEDULE - 5

FIXED ASSETS

(Amount in Rupees)

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2009	Additions during the year	Deletions during the year	**Total Cost as at 31.03.2010**	up to 31.03.2009	For the year	Deletions of Depreciation for the Year	**Total as at 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Good will	61,317,995	–	–	**61,317,995**	36,790,798	12,263,600	–	**49,054,398**	**12,263,597**	24,527,197
Computers	44,563,785	322,237	–	**44,886,022**	29,828,637	4,031,463	–	**33,860,100**	**11,025,922**	14,735,148
Furniture & Fixtures	47,075,396	–	–	**47,075,396**	10,838,155	2,979,874	–	**13,818,029**	**33,257,367**	36,237,241
Airconditioners	6,493,766	–	–	**6,493,766**	877,147	308,454	–	**1,185,601**	**5,308,165**	5,616,619
Electricals	10,138,059	–	–	**10,138,059**	2,244,829	481,558	–	**2,726,387**	**7,411,672**	7,893,230
Office Equipments	6,495,826	95,561	–	**6,591,387**	1,215,407	311,822	–	**1,527,229**	**5,064,158**	5,280,419
Vehicles	954,104	–	–	**954,104**	104,548	90,640	–	**195,189**	**758,915**	849,556
Intangible Assets-India	9,283,313	–	–	**9,283,313**	110,239	440,956	–	**551,195**	**8,732,118**	9,173,074
Computer Products	–	90,957,100	–	**90,957,100**	–	366,943	–	**366,943**	**90,590,157**	–
Assets at US Branch	6,869,813	–	–	**6,869,813**	6,496,251	373,562	–	**6,869,813**	**–**	373,562
Intangible Assets-USA	172,162,190	–	–	**172,162,190**	11,477,459	11,475,238	–	**22,952,697**	**149,209,493**	160,684,731
TOTAL	**365,354,247**	**91,374,898**	–	**456,729,145**	**99,983,470**	**33,124,110**	–	**133,107,581**	**323,621,564**	**265,370,777**

(Amount in Rupees)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 6		
INVESTMENTS		
I Long Term		
Trade- Unquoted- at Cost		
Investment in Subsidiaries		
(Valued at Cost)		
Global IT Inc , USA	**643,736,882**	142,005,482
Techorbit Inc, USA	**61,884,000**	61,884,000
LGS Global FZE, UAE	**243,650**	243,650
Others		
Lanco Net Limited	**20,000,000**	20,000,000
TOTAL	**725,864,532**	224,133,132
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured and Considered good)		
More than six months	**457,206,265**	967,366,309
Others	**974,186,539**	782,701,708
TOTAL	**1,431,392,804**	1,750,068,017
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in hand	**1,424,844**	32,660
Bank Balance		
a) With Scheduled Banks		
Current Accounts	**14,046,935**	394,603
b) Others		
- Current Accounts	**21,762,852**	8,600,105
TOTAL	**37,234,631**	9,027,368
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured and Considered good)		
a) Advance and Loans to Subsidiaries		
LGSL Foundation (Trust)	**7,063,773**	7,063,693
b) Advance recoverable in Cash or in Kind		
i) Pre-paid Expenses	**3,805,430**	2,013,607
ii) Advance for Expenses & Recoverable	**108,730,081**	42,824,574
c) Balance with Customs Etc		
Security Deposits	**14,093,262**	7,630,287
TOTAL	**133,692,546**	59,532,161

(Amount in Rupees)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
a) Sundry Creditors		
i) Due to SSI Undertakings	–	–
ii) Dues to other than SSI Undertakings	**595,824,589**	617,181,260
b) Advance payments	**537,499**	11,073,152
c) Unpaid dividend	**180,781**	102,800
d) Other Liabilities	**18,826,235**	83,242,514
B. Provisions		
Provision for Dividend	**25,423,667**	6,355,917
Provision for Tax	**35,307,020**	53,690,824
Provision for Gratuity	**5,134,982**	4,614,196
Provision for Leave Encashment	**2,370,380**	3,108,546
TOTAL	**683,605,153**	779,369,209
SCHEDULE - 11		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	**292,427**	474,427
TOTAL	**292,427**	474,427

(Amount in Rupees)

Particulars	for the Year ended March 31, 2010	for the Year ended March 31, 2009
SCHEDULE - 12		
OTHER INCOME		
Interest Income	**30,558**	–
Lease rentals	**1,569,840**	1,490,120
Foreign Exchange Fluctuation Profit/(Loss)	**(37,685,320)**	38,660,065
TOTAL	**(36,084,922)**	40,150,185
SCHEDULE - 13		
INTEREST & FINANCIAL CHARGES		
Bank Charges	**15,732,776**	9,841,636
Interest on Working Capital	**82,209,518**	47,838,599
Interest On Term Loan	**5,001,392**	3,921,252
Interest on Others	**125,938**	69,082
TOTAL	**103,069,624**	61,670,569
SCHEDULE - 14		
OPERATING & ADMINISTRATION EXPENSES		
Communication Expenses	**5,873,130**	7,505,876
Repairs and Office Maintenance		
Building	**1,711,842**	1,256,753
Others	**4,402,043**	4,570,719
Rent	**15,435,436**	17,939,092
Rates, Taxes & Insurence	**10,397,618**	7,919,181
Business Development Exp	**11,025,930**	9,393,403
Bad Debts	**8,945,883**	-
Electricity Charges	**3,264,956**	3,306,359
Travelling & Conveyance	**10,991,370**	15,266,939
Printing & Stationery	**860,640**	860,485
Staff Recruitment Charges	**288,066**	525,548
Consultancy Charges	**8,259,196**	7,340,590
Directors Remuneration	**240,000**	12,424,560
Quality Certification Fee	**799,000**	34,000
Audit Fee		
As Auditor	**220,600**	44,120
Other Services	**330,900**	66,180
Misc.Exp	**2,435,367**	3,233,414
Loss on sale of Assets	**–**	141,729
TOTAL	**85,481,977**	91,828,948

SCHEDULE - 15

Notes Forming Part of The Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

General :

(i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

(ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition :

(i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.

(ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.

(iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognised as related services are performed.

(iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.

(v) Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Foreign Exchange Transaction :

(i) Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.

(ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

Investments :

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets :

(i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortisation :

(i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

(ii) Preliminary Expenses are amortised over the period of 5 years.

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earning Per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

Gratuity and Leave Encashment :

The provision for Gratuity and leave Encashment is calculated as per accrual method and included in current liability & provision.

B. NOTES ON ACCOUNTS

1 Particulars of Employees in accordance with Sub section (2A) of Section 217 of the Companies Act, 1956 read with Companies(Particulars of Employees) Rule 1975 as amended, forms part of this report.

2. **Director's Remuneration :**

	Current Year (Rs.)	Previous Year (Rs.)
	2,40,000	1,24,24,560

3. **Auditor's Remuneration :**

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee	**2,20,600**	44,120
Other Services	**3,30,900**	66,180
Total	**5,51,500**	1,10,300

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

5. **Related Party Transactions:**

During the financial year 2009 -10 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

Sl. No.	Name of the Related Party	Nature of Relation	Nature of Transaction	Amount Involved
1	3K Technologies Ltd	Common Directors	Business Advance Paid	Rs. 584.41 lakhs
2	Global IT Inc	Subsidiary	Investment	Rs 5017.31 Lakhs (USD 10.88 millions)
3	Global IT Inc	Subsidiary	Sale of Software	Rs. 5.42 Lakhs
4	Techorbit Inc	Subsidiary	Sale of Software	Rs. 13.54 Lakhs

6. The Company has debited the amount of Rs. 1,22,63,600/- towards the one fifth Goodwill written off for the year 2009-10 being the goodwill arised on merger of Lanco Global Systems Inc.

7. All Investments are unquoted Equity Shares. Investment include additional investment of Rs 50.17 Crores in Global IT Inc an 100% subsidiary of LGS Global Limited

8. Foreign Currency Outflow :

	Current Year (Rs.)	Previous Year (Rs.)
Capital Expenditure	**Nil**	8,09,000/-
Foreign Travelling	**40,60,934/-**	18,47,674/-
Others	**1,22,12,81,734/-**	83,75,17,035/-

9. Foreign Exchange inflow as reported by the Company to Government of India and as certified by Management.

	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange Inflow	**1,17,11,08,279/-**	75,17,91,009/-

10. Earnings Per Share

	Current Year (Rs.)	Previous Year (Rs.)
Profits Attributable to Equity Share Holders	**104,838,354**	227,279,291
No. of Shares Outstanding for the Year ended		
Basic	**25,423,667**	25,423,667
Diluted	**25,423,667**	25,423,667
Earning per Share - Basic/Diluted	**4.12**	8.94

11. In case of Foreign exchange fluctuation profit / loss as per AS 11 the Branch and head office is having integral transactions and hence profit / loss debited to P & L a/c.The receivables have been considered at the actual rate at which the amount is realized and accordingly Loss from Foreign Exchange fluctuation and Integral transactions of Rs.37,685,320/- (net) has been reflected in Profit and Loss Account for the Year.

12. The Intra Branch transactions have been eliminated while preparing the financial statements.

13. There are no dues to SSI Units outstanding for more than 30 days.

14. Balances relating to debtors/creditors are subject to Confirmations.

15. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs. 24,95,479/- towards deferred income tax liability. (Previous year Rs11,43,613/- towards deferred income tax Liability.).

16. Tech orbit Inc, Global It Inc and LGS Global FZE are wholly owned subsidiaries of LGS Global Limited. During the current year there are no operations in LGS Global FZE.

17. The Term Loan Amounting to Rs.500 Lacs, Working Capital of Rs 4500 lakhs and Bank Guarantee of Rs 400 Lakhs from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors. The Factoring facility of Rs 1750 lakhs from SBI Global Factors Ltd is secured by the hypothecation of Book Debts present and future on all the approved debtors as mentioned in the sanction letter and Personal guarantee of Directors and Corporate guarantee from their company.Working Capital of Rs 3000 Lakhs, Term Loan of Rs. 400 lakhs and Bank Guarantee of Rs 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors.

18. Contingent liability of Rs 27,00,000/- as on 31st March 2010 towards Bank Guarantee given to different parties for Tender participation

19. Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/ lending institutions approval. The provision for current dividend tax is provided in the accounts

20. Previous years figures have been regrouped wherever necessary.

21. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 15

As per our Report Attached	For and on behalf of the Board of **LGS GLOBAL LIMITED**	
for **P. MURALI & CO.,** Chartered Accountants	**K. VENKATA SUBBA RAO** Managing Director	**K. VENKATESWARA RAO** Joint Managing Director
P. MURALI MOHANA RAO Partner FRN: 007257S	**Y. SRINIVASA RAO** Vice President (F&A)	**M. JAGADEESHWARA RAO** Company Secretary

Place : Hyderabad
Date : 09.07.2010

Cash Flow Statement for the Year ended 31.03.2010

(Rupees in lakhs)

	Particulars	Current Year	Previous Year
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before taxation, and extraordinary Items	**1335.97**	2710.32
	Adjustments for:		
	Depreciation	**331.24**	329.34
	Foreign Exchange Fluctuation profit	**0.00**	0.00
	Loss on Sale of Assets	**0.00**	0.00
	Interest expenses	**1030.70**	616.71
	Written off Expenses	**1.82**	1.82
	Operating Profit before working capital changes	**2699.73**	3658.18
	Trade and other receivables	**2445.15**	(7874.00)
	Trade payables	**2407.00**	4530.60
	Cash generated from operations	**7551.88**	314.79
	Interest paid	**(987.49)**	(610.97)
	NET CASH FLOW OPERATING ACTIVITIES	**6564.39**	(296.19)
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets including Capital Work-in-progress	**(913.75)**	(124.29)
	Investment in Subsidiary	**(5017.31)**	(604.79)
	Pre-operative & Project Expenses	**0.00**	0.00
	NET CASH USED IN INVESTING ACTIVITIES	**(5931.06)**	(729.08)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital	**0.00**	0.17
	Investment Subsidy	**5.00**	0.00
	Unsecured Loan	**(180.26)**	228.31
	Proceeds from Term Loans	**(173.74)**	500.00
	Net Proceeding from HP Loans	**(2.26)**	5.67
	NET CASH USED IN FINANCING ACTIVITIES	**(351.26)**	734.14
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**282.07**	(291.12)
	Cash and Cash equivalents as at (Opening Balance)	**90.27**	381.39
	Cash and Cash equivalents as at (Closing Balance)	**372.34**	90.27

For and on behalf of the Board of
LGS GLOBAL LIMITED

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

Place : Hyderabad
Date : 09.07.2010

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

To
The Board of Directors
LGS Global Limited

We have examined the attached Cash Flow Statement of LGS Global Limited for the year ended 31st March, 2010. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchanage and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 9th July, 2010 to the members of the company.

for P. MURALI & CO.,
Chartered Accountants

Place : Hyderabad
Date : 09.07.2010

P. MURALI MOHANA RAO
Partner
FRN: 007257S

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No:	0 1 – 3 0 9 9 6	State Code :	0 1
Balance Sheet Date	3 1 . 0 3 . 2 0 1 0		
	Date Month Year		

II. Capital raised during the year (Amounts in Rs. Thousands)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

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

Total Liabilities	1 9 6 8 4 9 3	Total Assets	1 9 6 8 4 9 3
Sources of Funds			
Paid - Up Capital	2 5 4 2 3 7	Reserves & Surplus	6 0 8 2 5 8
Secured Loans	9 5 7 2 1 7	Un-Secured Loans/ Deferred Tax Liability	1 4 8 7 8 1
Application of Funds			
Net Fixed Assets	3 2 3 6 2 2	Investments	7 2 5 8 6 4
Net Current Assets	9 1 8 7 1 5	Misc. Expenditure	2 9 2
Accumulated Losses	N I L		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	2 3 7 1 3 6 9	Total Expenditure	2 2 3 7 7 7 2
+ - Profit/ Loss Before Tax		+ - Profit/ Loss After Tax	
+	1 3 3 5 9 7	+	1 0 4 8 3 8
Earning Per Share in Rs.	4 . 1 2	Dividend rate %	1 0

V. Generic Names of three principal products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code) :	8 5 2 4 9 0 0 9 . 1 0
Product Description :	S O F T W A R E S E R V I C E S

Auditors'Report on the Consolidated Financial Statements

AUDITORS' REPORT to the Board of Directors of LGS GLOBAL LIMITED on the Consolidated Financial Statements of LGS GLOBAL LIMITED and its Subsidiaries

We have examined the attached Consolidated Balance Sheet of LGS GLOBAL LIMITED ('the Company') and its wholly owned subsidiaries TECHORBIT INC. USA, GLOBAL IT INC. USA and LGS Global FZE., UAE as at 31st March, 2010 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. 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.

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 prepared, in all material respects, in accordance with an identified financial reporting framework and 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. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of its subsidiaries TECHORBIT INC. USA , GLOBAL IT INC USA and LGS Global FZE UAE as at 31st March , 2010. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of the Consolidated balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2010.

(b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year then ended and

(c) In the case of the Consolidated cash flows Statement, of the consolidated Cash flows of the company and its subsidiaries for the year then ended.

for **P. MURALI & CO.,**
Chartered Accountants

Place : Hyderabad
Date : 09.07.2010

P. Murali Mohana Rao
Partner
FRN: 007257S

Consolidated Balance Sheet as at March 31, 2010

(Amount in Rupees)

Particulars	Schedule Reference	As at March 31, 2010	As at March 31, 2009
I. SOURCES OF FUNDS			
1. Share Holders Funds			
(a) Share Capital	1	**254,236,670**	254,236,670
(b) Reserves & Surplus	2	**979,101,628**	723,639,790
2. Loan funds			
(a) Secured Loans	3	**1,050,652,023**	578,024,312
(b) Unsecured Loans	4	**248,443,973**	262,943,923
3. Deferred Tax Liability		**7,731,594**	5,236,115
TOTAL		**2,540,165,888**	1,824,080,810
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	**745,138,108**	653,763,210
Less: Depreciation		**166,115,535**	118,045,196
(b) Net Block		**579,022,573**	535,718,014
2. Investments	6	**20,000,000**	20,000,000
3. Current Assets, Loans & Advances			
(a) Sundry Debtors	7	**1,728,460,859**	2,064,694,559
(b) Cash and Bank Balances	8	**76,083,559**	26,872,402
(c) Loans & Advances	9	**1,005,745,480**	106,625,756
Less: Current Liabilities & Provisions	10	**869,682,660**	930,547,998
Net Current Assets		**1,940,607,238**	1,267,644,719
4. Miscellaneous Expenditure	11	**536,077**	718,077
(to the extent not written off or adjusted)			
Notes on Balance Sheet and Profit & Loss Account	15		
TOTAL		**2,540,165,888**	1,824,080,810

As per our Report Attached

For and on behalf of the Board of
LGS GLOBAL LIMITED

for **P. MURALI & CO.,**
Chartered Accountants

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

P. MURALI MOHANA RAO
Partner
FRN: 007257S

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

Place : Hyderabad
Date : 09.07.2010

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

(Amount in Rupees)

Particulars	Schedule Reference	for the Year ended March 31, 2010	for the Year ended March 31, 2009
INCOME			
Export		**3,813,514,463**	2,926,908,933
Domestic		**31,154,536**	18,947,018
Other Income	12	**(36,084,922)**	40,150,185
TOTAL		**3,808,584,077**	2,986,006,136
EXPENDITURE			
Personnel Cost		**3,081,186,434**	2,308,919,387
Interest & Financial Charges	13	**113,374,796**	68,100,646
Operating & Administration Expenses	14	**159,012,352**	231,607,926
Depreciation		**48,070,338**	46,203,268
Written off Expenses		**182,000**	182,000
TOTAL		**3,401,825,920**	2,655,013,227
Profit / (Loss) before tax		**406,758,157**	330,992,909
Provision for Tax		**77,421,828**	59,297,508
Provision for FBT		**–**	679,561
Profit / (Loss) after tax		**329,336,329**	271,015,840
Provision for deferred Tax Liability		**2,495,479**	1,143,613
Profit After deferred Tax		**326,840,850**	269,872,227
Balance Brought forward		**687,945,723**	425,509,601
Amounts avialable for Appropriations		**1,014,786,573**	695,381,828
Appropriations			
Proposed Dividend on Equity		**25,423,667**	6,355,917
Corporate Dividend Tax		**4,320,752**	1,080,188
General Reserve		**6,355,917**	–
Surplus carried to Balance Sheet		**978,686,237**	687,945,723
TOTAL		**1,014,786,573**	695,381,828
Notes on Balance Sheet and Profit & Loss A/c	15		
Earnings Per Share Basic & Diluted		**12.86**	10.62

As per our Report Attached

For and on behalf of the Board of
LGS GLOBAL LIMITED

for **P. MURALI & CO.,**
Chartered Accountants

P. MURALI MOHANA RAO
Partner
FRN: 007257S

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

Place : Hyderabad
Date : 09.07.2010

Schedules

(Amount in Rupees)

Particulars		As at March 31, 2010	As at March 31, 2009
SCHEDULE - I			
SHARE CAPITAL			
Authorised		**400,000,000**	400,000,000
4,00,00,000 Equity Shares of Rs.10/- each			
Issued , Subscribed and Paid Up			
25,423,667 Equity Shares of Rs.10/- each		**254,236,670**	254,236,670
TOTAL		**254,236,670**	254,236,670
SCHEDULE - 2			
RESERVES & SURPLUS			
Investment Subsidy		**2,000,000**	1,500,000
Surplus in Profit & Loss Account		**978,686,236**	687,945,723
Foreign Exchange Translation Reserve		**(14,296,017)**	27,838,575
General Reserve			
-at the commencement of the year		**6,355,492**	6,355,492
- Add: Transfer from P & L a/c		**6,355,917**	–
TOTAL		**979,101,628**	723,639,790
SCHEDULE - 3			
SECURED LOANS			
Working Capital - Axis Bank		**452,535,058**	346,205,145
Working capital - SBIGTF		**169,355,209**	180,678,869
Working Capital - SBI		**301,432,194**	
Term Loan- Axis Bank	**33,200,000**		
Add: Interest accrued and due	**353,479**	**33,553,479**	50,573,509
Car Loan - Axis Bank		**341,158**	566,789
Loan from Chase Bank		**93,434,925**	–
TOTAL		**1,050,652,023**	578,024,312
SCHEDULE - 4			
UNSECURED LOANS			
Other Loans & Advances			
i) From Banks			
ii) From Others			
Infinite India Pvt Ltd		**1,116,000**	1,116,000
Others		**247,327,973**	261,827,923
TOTAL		**248,443,973**	262,943,923

SCHEDULE - 5

FIXED ASSETS

(Amount in Rupees)

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2009	Additions during the year	Deletions during the year	**Total Cost as at 31.03.2010**	up to 31.03.2009	For the year	Deletions of Depreciation for the Year	**Total as at 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Good will	137,989,162	–	–	**137,989,162**	39,607,886	12,263,600	–	**51,871,486**	**86,117,676**	98,381,276
Computers	44,563,785	322,237	–	**44,886,022**	29,828,637	4,031,463	–	**33,860,100**	**11,025,922**	14,735,148
Furniture & Fixtures	47,075,396	–	–	**47,075,396**	10,838,155	2,979,874	–	**13,818,029**	**33,257,367**	36,237,241
Airconditioners	6,493,766	–	–	**6,493,766**	877,147	308,454	–	**1,185,601**	**5,308,165**	5,616,619
Electricals	10,138,059	–	–	**10,138,059**	2,244,829	481,558	–	**2,726,387**	**7,411,672**	7,893,230
Office Equipments	6,495,826	95,561	–	**6,591,387**	1,215,407	311,822	–	**1,527,229**	**5,064,158**	5,280,419
Vehicles	954,104	–	–	**954,104**	104,548	90,640	–	**195,189**	**758,915**	849,556
Intangible Assets-India	9,283,313	–	–	**9,283,313**	110,239	440,956	–	**551,195**	**8,732,118**	9,173,074
Computer Products	–	90,957,100	–	**90,957,100**	–	366,943	–	**366,943**	**90,590,157**	–
Assets at US Branch	6,869,813	–	–	**6,869,813**	6,496,251	373,562	–	**6,869,813**	**–**	373,562
Intangible Assets-LGS-Branch	172,162,190	–	–	**172,162,190**	11,477,459	11,475,238	–	**22,952,697**	**149,209,493**	160,684,731
Asset at Subsidiary's	6,227,911	–	–	**6,227,911**	3,215,831	1,245,584	–	**4,461,415**	**1,766,496**	3,012,080
Intangible Assets-Subsidiary	205,509,885	–	–	**205,509,885**	12,028,807	13,700,644	–	**25,729,451**	**179,780,434**	193,481,078
TOTAL	**653,763,210**	**91,374,898**	**–**	**745,138,108**	**118,045,196**	**48,070,338**	**–**	**166,115,535**	**579,022,573**	**535,718,014**

(Amount in Rupees)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 6		
INVESTMENTS		
I Long Term		
Trade- Unquoted- at Cost		
Investment in Subsidiaries		
(Valued at Cost)		
Others		
Lanco Net Limited	**20,000,000**	20,000,000
TOTAL	**20,000,000**	20,000,000
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured and Considered good)		
More Than six months	**457,206,265**	967,366,309
Others	**1,271,254,594**	1,097,328,250
TOTAL	**1,728,460,859**	2,064,694,559
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in hand	**1,424,844**	32,660
Bank Balance		
a) With scheduled Banks		
Current Accounts	**14,046,935**	18,239,637
b) Others		
- Current Accounts	**60,611,780**	8,600,105
TOTAL	**76,083,559**	26,872,402
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured and Considered good)		
a) Advance and Loans to Subsidiaries		
LGSL Foundation (Trust)	**7,063,773**	7,063,693
b) Advance recoverable in Cash or in Kind		
i) Pre-paid Expenses	**76,058,860**	2,013,607
ii) Advance for Expenses & Recoverable	**908,529,584**	89,918,169
c) Balance with Customers Etc		
Security Deposits	**14,093,263**	7,630,287
TOTAL	**1,005,745,480**	106,625,756

(Amount in Rupees)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
a) Sundry Creditors		
i) Due to SSI Undertakings	**–**	–
ii) Dues to other than SSI Undertakings	**679,738,359**	647,960,665
b) Advance payments	**537,499**	11,073,152
c) Unpaid Dividend	**180,781**	102,800
d) Other Liabilities	**69,831,185**	180,522,368
B. Provisions		
Provision for Dividend	**25,423,667**	6,355,917
Provision for Tax	**86,465,807**	76,810,354
Provision for Gratuity	**5,134,982**	4,614,196
Provision for Leave Encashment	**2,370,380**	3,108,546
TOTAL	**869,682,660**	930,547,998
SCHEDULE - 11		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	**536,077**	718,077
TOTAL	**536,077**	718,077

(Amount in Rupees)

Particulars	for the Year ended March 31, 2010	for the Year ended March 31, 2009
SCHEDULE - 12		
OTHER INCOME		
Interest Income	**30,558**	–
Lease rentals	**1,569,840**	1,490,120
Foreign Exchange Fluctuation Profit/(Loss)	**(37,685,320)**	38,660,065
TOTAL	**(36,084,922)**	40,150,185
SCHEDULE - 13		
INTEREST & FINANCIAL CHARGES		
Bank Charges	**16,290,963**	11,740,147
Interest on Working Capital Facility	**91,956,503**	52,370,165
Interest on Term Loan	**5,001,392**	3,921,252
Interest on Others	**125,938**	69,082
TOTAL	**113,374,796**	68,100,646
SCHEDULE - 14		
OPERATING & ADMINISTRATION EXPENSES		
Communication Expenses	**8,636,823**	19,602,124
Repairs and Office Maintenance		
- Building	**1,711,842**	1,256,753
- Others	**43,529,699**	79,876,692
Rent	**17,793,148**	23,326,367
Rates, Taxes & Insurence	**10,397,618**	10,855,443
Business Development Exp	**18,452,102**	29,568,460
Bad Debts	**15,269,614**	–
Electricity Charges	**3,264,956**	3,306,359
Travelling & Conveyance	**21,455,235**	34,840,094
Printing & Stationery	**860,640**	860,485
Staff Recruitment Charges	**288,066**	525,548
Consultancy Charges	**13,326,742**	11,645,598
Directors Remuneration	**240,000**	12,424,560
Quality Certification Fee	**799,000**	34,000
Audit Fee		
- As Auditor	**220,600**	44,120
- Other Services	**330,900**	66,180
Misc.Exp	**2,435,367**	3,233,414
Loss on sale of Assets	**–**	141,729
TOTAL	**159,012,352**	231,607,926

SCHEDULE - 15

Notes to the Consolidated Financial Statements

Significant Accounting Policies to The Consolidated Balance Sheet and Profit and Loss Account

A. The consolidated financial statements relate to LGS GLOBAL LIMITED. ("the Company") has prepared the Consolidated Financial Statements, by consolidating its accounts with that of its wholly owned subsidiaries TECHORBIT INC, U.S.A , GLOBAL IT INC, U.S.A and LGS Global FZE, UAE in accordance with the Statements of Accounting standards on " Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India (ICAI) The Consolidated Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the ICAI. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and it subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 --"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

(ii) In case of Foreign subsidiaries, Assets and Liabilities are consolidated at the Foreign Exchange rates prevailing at the end of the year.

(iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill.

(iv) Minority interest's share is not there as the company is holding 100 % Equity Shares

(v) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :

Global IT Inc. USA, Techorbit Inc. USA, LGS Global FZE, UAE subsidiary companies have been considered in the consolidated financial Statements. As required by Accounting Standard (AS - 23) on Accounting for Investments in Subsidiaries in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

General :

(i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

(ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition :

(i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.

(ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.

(iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognised as related services are performed.

(iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.

(v) Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Foreign Exchange Transaction :

(i) Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.However in case of 100 % subsidiaries it have been reflected in the Foreign Exchange Fluctuation Reserve Account.

(ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date.

Investments :

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets :

(i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortisation :

(i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

(ii) Preliminary Expenses are amortised over the period of 5 years.

Capital Work-in-Progress :

The Capital Work-in-Progress includes cost of Fixed Assets under installation, advances for Capital Goods and unallocated expenditure.

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earning Per Share:

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

Gratuity and Leave Encashment :

The provision for Gratuity and leave Encashment is calculated as per accrual method and included in current liability & provision.

B. NOTES ON ACCOUNTS

1. Particulars of Employees in accordance with Sub section (2A) of Section 217 of the Companies Act, 1956 read with Companies(Particulars of Employees) Rule 1975 as amended, forms part of Annexure to the directors Report.

2. **Director's Remuneration :**

	Current Year (Rs.)	**Previous Year (Rs.)**
	2,40,000	1,24,24,560

3. **Auditor's Remuneration :**

	Current Year (Rs.)	**Previous Year (Rs.)**
Audit Fee	**2,20,600**	44,120
Other Services	**3,30,900**	66,180
TOTAL	**5,51,500**	1,10,300

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

5. **Related Party Transactions:**

During the year 2009-10 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

(Rs.Lakhs)

Name of the Related Party	Nature of Relation	Nature of Transaction	Amount Involved
3K Technologies Limited	Common Directors	Business Advance Paid	584.41

6. Goodwill and other Intangible Assets in the case of Subsidiary Companies it represents the difference between the purchase price and the book value of assets and liabilities acquired. Goodwill is amortised over the useful life of the asset . The goodwill is reviewed for impairment wherever events or changes in business circumstances indicate the carrying amount of assets may not be fully recoverable. If impairment is indicated the asset is written down to its fair value

7. All Investments are unquoted Equity Shares.

8. Expenditure in Foreign Currency

	Current Year (Rs.)	Previous Year (Rs.)
Capital Expenditure	**Nil**	8,09,000/-
Foreign Travelling	**40,60,934/-**	18,47,674/-
Others	**1,22,12,81,734/-**	83,75,17,035/-

9. Foreign Exchange inflow as reported by the Company to government of India and as certified by Management.

	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange Inflow	**1,17,11,08,279/-**	75,17,91,009/-

10. In case of Foreign Exchange fluctuation profit/ loss as per AS 11, the subsidiaries and holding company being non-integral the difference in Foreign exchange fluctuation profit / loss is reflected in Foreign Exchange Translation Reserve account

11. The intra Branch transactions have been eliminated during the year. The inter company transactions have been eliminated while consolidation of consolidated Financial Statements.

12. There are no dues to SSI Units outstanding for more than 30 days.

13. Balances relating to debtors and creditors are subject to Confirmations.

14. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs. 24,95,479/- towards deferred income tax liability. (Previous year Rs11,43,613/- towards deferred income tax Liability)

15. The Term Loan Amounting to Rs.500 Lacs, Working Capital of Rs 4500 lakhs and Bank Guarantee of Rs 400 Lakhs from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors. The Factoring facility of Rs 1750 lakhs from SBI Global Factors Ltd is secured by the hypothecation of Book Debts present and future on all the approved debtors as mentioned in the sanction letter and Personal guarantee of Directors and Corporate guarantee from their company.Working Capital of Rs 3000 Lakhs, Term Loan of Rs. 400 lakhs and Bank Guarantee of Rs 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors

    Tech Orbit Inc : Notes payable to J.P.Morgan Chase Bank of USD 64406 (INR 29.07 Lakhs) secured by personal guarantee of the officer of the company and an amount of USD 689,362 (INR 311.18 Lakhs) is secured by accounts receivables of the company.

    Global IT Inc : Notes payable to J.P Mogan Chase Bank of USD 191,507(INR 86.45 Lakhs) is secured by personal guarantee of the president of the company. Notes payable to J.P.Morgan Chase Bank of USD 1,124,617 (INR 507.65 Lakhs) is secured by accounts receivables

16. Contingent liability of Rs 27,00,000/- as on 31st March 2010 towards Bank Guarantee given to different parties for Tender participation

17. Previous years figures have been regrouped wherever necessary.

18. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 15

For and on behalf of the Board of
LGS GLOBAL LIMITED

As per our Report Attached

for **P. MURALI & CO.,**
Chartered Accountants

P. MURALI MOHANA RAO
Partner
FRN: 007257S

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

Place : Hyderabad
Date : 09.07.2010

Consolidated Cash Flow Statement for the Year ended 31.03.2010

(Rupees in lakhs)

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary Items	**4067.58**	3309.93
Adjustments for:		
Depreciation	**480.70**	462.03
Foreign Exchange Translation Reserve	**(421.35)**	406.36
Loss on Sale of Assets	**0.00**	0.00
Interest expenses	**1133.75**	681.01
Written off Expenses	**1.82**	1.82
Operating Profit before working capital changes	**5262.50**	4861.15
Trade and other receivables	**(5628.86)**	(7066.48)
Trade payables	**2244.40**	3522.36
Cash generated from operations	**1878.04**	1317.03
Interest paid	**(1090.54)**	(675.27)
NET CASH FLOW OPERATING ACTIVITIES	**787.50**	641.76
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Capital Work-in-progress	**(913.75)**	(2180.36)
Pre-operative & Project Expenses	**0.00**	(2.44)
NET CASH USED IN INVESTING ACTIVITIES	**(913.75)**	(2182.80)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	**0.00**	0.17
Investment Subsidy	**5.00**	0.00
Unsecured Loan	**(145.00)**	(26.77)
Proceeds from Term Loans	**760.61**	500.00
Net Proceeding from HP Loans	**(2.26)**	5.67
NET CASH USED IN FINANCING ACTIVITIES	**618.36**	479.07
NET INCREASE IN CASH AND CASH EQUIVALENTS	**492.11**	(1061.97)
Cash and Cash equivalents as at (Opening Balance)	**268.72**	1330.69
Cash and Cash equivalents as at (Closing Balance)	**760.83**	268.72

for and on behalf of the Board of
LGS GLOBAL LIMITED

K. VENKATA SUBBA RAO
Managing Director

K. VENKATESWARA RAO
Joint Managing Director

Place : Hyderabad
Date : 09.07.2010

Y. SRINIVASA RAO
Vice President (F&A)

M. JAGADEESHWARA RAO
Company Secretary

To
The Board of Directors
LGS Global Limited

We have examined the attached Cash Flow Statement of LGS Global Limited for the year ended 31st March, 2010. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchanage and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 9th July 2010 to the members of the company.

for P. MURALI & CO.,
Chartered Accountants

Place : Hyderabad
Date : 09.07.2010

P. MURALI MOHANA RAO
Partner
FRN: 007257S

Consolidated Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No:	01–30996	State Code :	01
Balance Sheet Date	31-03-2010		
	Date Month Year		

II. Capital raised during the year (Amounts in Rs. Thousands)

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

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

Total Liabilities	2540166	Total Assets	2540166
Sources of Funds			
Paid - Up Capital	254237	Reserves & Surplus	979102
Secured Loans	1050652	Un-Secured Loans/ Deferred Tax Liability	256175
Application of Funds			
Net Fixed Assets	579023	Investments	20000
Net Current Assets	1940607	Misc. Expenditure	536
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	3808584	Total Expenditure	3401826
+ - Profit/Loss Before Tax		+ - Profit/Loss After Tax	
+	406758	+	326841
Earning Per Share in Rs.	12.86	Dividend rate %	10

V. Generic Names of three principal products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code) :	85249009.10
Product Description :	SOFTWARE SERVICES

Statement pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary companies

			Name of the Subsidiary companies		
No.		**Particulars**	**Global IT Inc**	**Techorbit Inc**	**LGS Global FZE**
1.		Financial year	31-03-2010	31-03-2010	31-03-2010
2.		Shares of the subsidiary held by the Company on the above date:			
	a)	Number and face value	100000 / $0.10	100000 / $0.10	
	b)	Extent of holding	100%	100%	
3		The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt with in the accounts of the Company:			
	a)	For the financial year ended on 31st March, 2010	N.A	N.A	N.A
	b)	For the previous financial year of the subsidiaries since it became a subsidiary	N.A	N.A	N.A
4		The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is dealt with in the accounts of the Company:			
	a)	For the financial year ended on 31st March, 2010	$ 23,70,475	$ 21,62,849	Nil
	b)	For the previous financial year of the subsidiaries since it became a subsidiary	$ 22,25,511	$ 15,82,617	Nil
5.		Change in the holding company's interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding Company's financial year.	Not applicable as financial year coincides with that of the holding company	Not applicable as financial year coincides with that of the holding company	Not applicable as financial year coincides with that of the holding company
6.		Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding company's financial year in respect:	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish
	a)	the subsidiaries fixed assets			
	b)	its investments			
	c)	money lent by the subsidiary company			
	d)	the money borrowed by it for any purpose other than that of meeting current liabilities			

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala
Managing Director

Venkateswara Rao Kadiyala
Joint Managing Director

Place : Hyderabad
Date : 09.07.2010

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to Subsidiary companies:

S.No.	Description	Tech Orbit Inc.,		Global IT Inc.,		LGS Global FZE.,	
		Amount In INR	Amount In USD	Amount In INR	Amount In USD	Amount In INR	Amount In USD
a)	Capital	451,400	10,000	554,860,880	12,292,000*	225,700	5000
b)	Reserves & Surplus	104,503,086	4,213,940	255,896,087	5,668,943	NIL	NIL
c)	Total Assets	190,217,252	7,403,917	1,054,119,211	23,352,220	225,700	5000
d)	Total Liabilities	190,217,252	7,403,917	1,054,119,211	23,352,220	225,700	5000
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	606,409,270	13,433,967	745,686,619	16,519,420	NIL	NIL
g)	Profit Before Taxation	122,039,014	2,703,567	133,754,018	2,963,093	NIL	NIL
h)	Provision for Taxation	24,408,010	540,718	26,750,776	592,618	NIL	NIL
i)	Profit after taxation	97,631,004	2,162,849	107,003,242	2,370,475	NIL	NIL
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
	Reporting Currency		USD ($)		USD ($)		USD ($)

* This includes additional capital yet to allotment of shares.

As required under para iii) of the Approval Vide letter No 47/573/2010-CL- III dated 18th June, 2010 issued by the Ministry of Corporate Affairs, India Rupees equivalent of the figures given in foreign currencies based on the exchange rate as on 31-03-2010 (USD 1 = INR 45.14).

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala
Managing Director

Venkateswara Rao Kadiyala
Joint Managing Director

Place : Hyderabad
Date : 09.07.2010

LGS GLOBAL LIMITED

(Formerly Lanco Global Systems Limited)

Regd. Office: 8-2-293/82/A/796/B, Road No. 36, Jubilee Hills, Hyderabad - 500033, Andhra Pradesh, INDIA.

ATTENDANCE SLIP

11th Annual General Meeting - 24th December, 2010

Regd. Folio No.	
No. of Shares held	

***DP ID:**	
***Client ID:**	

Name of the Shareholder	
Name of Proxy	
Signature of Member / Proxy	

I hereby record my presence at the 11th Annual General Meeting of the Company to be held at K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P. B. 14, Hyderabad - 500 004 at 11:00 a.m., Friday, the 24th December, 2010 and at any adjournment thereof.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

__________________________ __________________________

If Member, Please sign here **If Proxy, Please sign here**

Note : This form should be signed and handed over at the Meeting Venue. No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring copy of the Annual Report to the Meeting.

** Applicable for investors holding shares in electronic form.*

LGS GLOBAL LIMITED

(Formerly Lanco Global Systems Limited)

Regd. Office: 8-2-293/82/A/796/B, Road No. 36, Jubilee Hills, Hyderabad - 500033, Andhra Pradesh, INDIA.

PROXY FORM

Regd. Folio No.	
No. of Shares held	

***DP ID:**	
***Client ID:**	

I / We ....
of ...., being a Member / Members of LGS GLOBAL LIMITED hereby appoint .... of .... or failing him .... of .... as my / our proxy to attend and vote for me / us on my / our behalf at the 11th Annual General Meeting of the Company to be held at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P. B. 14, Hyderabad-500 004 at 11:00 a.m., Friday, the 24th December, 2010 and at any adjournment thereof.

Dated this .... day of December, 2010.

Affix Re.1/- Revenue Stamp

Signature
(Member)

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

** Applicable for investors holding shares in electronic form.*

Delivering Value through, Professional Empowerment

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If undelivered, please return to:

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8-2-293/82/A/796/B
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Hyderabad-500 033
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www.lgsglobal.com