

B S R & Co.

**VirStra *i*-Technology Services Limited**

**Audited Financial Statements for the period**

**1 April 2009 to 31 March 2010**

# B S R & Co.

(Registered)

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002 (India)

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## Auditors' Report

To the Members of  
**VirStra i-Technology Services Limited**

We have audited the attached Balance Sheet of VirStra i-Technology Services Limited ("the Company") as at 31 March 2010, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) 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;
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
- (e) on the basis of written representations received from the directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and



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- (f) 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:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

*for BSR & Co.*  
*Chartered Accountants*  
Firm registration number : 101248W



**Jiten Chopra**  
*Partner*  
Membership no.: 092894

Place: Gurgaon  
Date: 25 April 2010

**Annexure to the Auditors' report**  
(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets so as to cover all fixed assets in a phased manner over a period of three years. In accordance with this programme, management has during the year physically verified computers and office and other equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
  - (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) The Company is a service company, primarily rendering software services. Accordingly it does not hold any physical inventories. Thus, the provisions of paragraph 4(ii) of the Order are not applicable.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
  - (b) In our opinion, and having regard to our comments in paragraph (iv) above and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakh during the period, in respect of each party, have been made for items of special nature and in respect of which alternative quotations are not available. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any deposits from the public.

*[Handwritten Signature]*

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Customs duty, Cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Investor Education and Protection Fund, Employees' State Insurance, Wealth tax, Service tax, Sales tax and Excise duty are not applicable to the Company.

There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Customs duty and other material statutory dues were in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

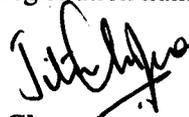
- (b) According to the information and explanations given to us, there are no dues of Income tax and Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the provisions of Sales tax, Wealth tax, Service tax, and Excise duty are not applicable to the Company. In respect of Cess refer to our comment in (ix) (a) above.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debentureholders during the year.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (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.



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- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

*for B S R & Co.*  
*Chartered Accountants*  
Firm registration number : 101248W



**Jiten Chopra**  
*Partner*  
Membership no.: 092894

Place: Gurgaon  
Date: 25 April 2010

**VirStra i-Technology Services Limited**

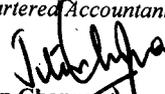
**Balance Sheet as at 31 March 2010**

	Schedule	As at 31 March 2010 (Rupees)	As at 31 March 2009 (Rupees)
<b>Sources of funds</b>			
<b>Shareholders' funds</b>			
Share capital	1	10,000,000	10,000,000
Reserves and surplus	2	<u>250,592,590</u>	<u>204,293,963</u>
		<u><b>260,592,590</b></u>	<u><b>214,293,963</b></u>
<b>Application of funds</b>			
<b>Fixed assets</b>			
Gross block	3	48,127,347	45,910,768
Less: Accumulated depreciation		<u>(41,385,037)</u>	<u>(36,328,406)</u>
Net block		6,742,310	9,582,362
Add: Capital work in progress (including capital advances)		<u>105,000</u>	<u>380,000</u>
		<u><b>6,847,310</b></u>	<u><b>9,962,362</b></u>
<b>Investments</b>	4	104,428,266	30,640,359
<b>Deferred tax asset</b> (refer note 3, schedule 15)		3,394,390	2,901,255
<b>Current assets, loans and advances</b>			
Sundry debtors	5	47,245,037	88,506,097
Cash and bank balances	6	59,853,400	66,613,755
Loans and advances	7	62,652,679	45,984,546
Other current assets	8	<u>58,895</u>	<u>257,643</u>
		<u><b>169,810,011</b></u>	<u><b>201,362,041</b></u>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	9	(16,611,911)	(23,586,580)
Provisions	10	<u>(7,275,476)</u>	<u>(6,985,474)</u>
		<u><b>(23,887,387)</b></u>	<u><b>(30,572,054)</b></u>
<b>Net current assets</b>		<u><b>145,922,624</b></u>	<u><b>170,789,987</b></u>
		<u><u><b>260,592,590</b></u></u>	<u><u><b>214,293,963</b></u></u>
<b>Significant accounting policies and notes to the accounts</b>	15		

The Schedules referred to above form an integral part of the Balance Sheet

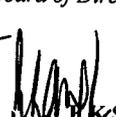
As per our report of even date

**For BSR & Co.**  
Chartered Accountants

  
**Jiten Chopra**  
Partner  
Membership No.: 092894

For and on behalf of the Board of Directors

  
**Vishnu R Dusad**  
Director

  
**H K Sanghi**  
Director

Place: Gurgaon  
Date : 25 April 2010

Place: Noida  
Date : 25 April 2010

VirStra i-Technology Services Limited

Profit and Loss Account for the year ended 31 March 2010

	Schedule	For the year ended 31 March 2010 (Rupees)	For the year ended 31 March 2009 (Rupees)
<b>Income</b>			
Sales and services	11	289,632,733	266,829,296
Software support expenses	12	162,332,088	139,889,277
<b>Gross profit</b>		<u>127,300,645</u>	<u>126,940,019</u>
General and administration expenses	13	5,820,946	-
<b>Operating profit before depreciation</b>		<u>121,479,699</u>	<u>126,940,019</u>
Depreciation	3	5,650,857	10,651,147
Less: Reimbursed by customer ( refer note 6, schedule 15)		<u>(5,585,727)</u>	<u>(10,459,014)</u>
<b>Operating profit after depreciation</b>		<u>121,414,569</u>	<u>126,747,886</u>
Other income	14	1,969,849	8,063,382
<b>Profit before taxation</b>		<u>123,384,418</u>	<u>134,811,268</u>
Provision for tax			
- Current		21,686,350	15,190,404
- MAT credit entitlement		(21,487,450)	(15,015,904)
- Deferred tax credit		(493,135)	(1,775,363)
- Fringe benefit		-	858,000
Less: Reimbursed by customer ( refer note 6, schedule 15)		<u>-</u>	<u>(858,000)</u>
<b>Profit after taxation</b>		<u>123,678,653</u>	<u>136,412,131</u>
Profit for the year		123,678,653	136,412,131
Add: Balance brought forward		168,864,677	95,816,634
<b>Total amount available for appropriation</b>		<u>292,543,330</u>	<u>232,228,765</u>
Dividend		70,000,000	42,500,000
Corporate dividend tax		11,896,500	7,222,875
Transferred to general reserve		12,367,865	13,641,213
<b>Balance carried forward to the Balance Sheet</b>		<u>198,278,965</u>	<u>168,864,677</u>

**Earnings per share (equity shares, face value Rs. 10 each)**

(refer note 14, schedule 15)

Basic	123.68	136.41
Diluted	123.68	136.41

**Number of shares used in computing earnings per equity share**

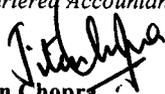
Basic	1,000,000	1,000,000
Diluted	1,000,000	1,000,000

**Significant Accounting policies and notes to the accounts** 15

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

**For BSR & Co.**  
Chartered Accountants

  
**Jiten Chopra**  
Partner  
Membership No.: 092894

For and on behalf of the Board of Directors

  
**Vishnu R Dusad**  
Director

  
**P K Sanghi**  
Director

Place: Gurgaon  
Date : 25 April 2010

Place: Noida  
Date : 25 April 2010

**VirStra i-Technology Services Limited**  
**Cash Flow Statement for the year ended 31 March 2010**

	For the year ended 31 March 2010	For the year ended 31 March 2009
	(Rupees)	(Rupees)
<b>A. Cash flow from operating activities</b>		
Net profit before tax	123,384,418	134,811,268
Adjustment for:		
Exchange difference on translation of foreign currency accounts	(2,033,389)	(903,837)
Depreciation	5,650,857	10,651,147
Dividend received from non trade investments	(1,673,137)	(990,347)
Interest income	(261,539)	(430,292)
Loss on sale of Vehicle	251,690	-
Provision for diminution in value of investments	5,569,256	-
Operating profit before working capital changes	130,888,156	143,137,939
Decrease/ (increase) in debtors.	42,978,227	(11,346,073)
Decrease in loans and advances	4,731,269	6,228,576
(Decrease) / increase in current liabilities and provisions	(2,168,193)	2,483,542
Income tax paid	(21,598,302)	(15,597,708)
Net cash from operating activities (A)	154,831,157	124,906,276
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets/capital work in progress	(2,787,495)	(2,178,382)
Purchase of current investments	(374,213,502)	(172,100,000)
Proceeds on sale of current investments	294,856,339	155,153,281
Interest income	460,288	210,519
Dividend received from investments	1,673,137	990,347
Net cash used in investing activities (B)	(80,011,233)	(17,924,235)
<b>C. Cash flow from financing activities</b>		
Dividend paid	(70,000,000)	(42,500,000)
Corporate dividend tax paid	(11,896,500)	(7,222,875)
Net cash used in financing activities (C)	(81,896,500)	(49,722,875)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(7,076,576)	57,259,166
Opening cash and cash equivalents	66,613,755	9,153,069
Exchange difference on translation of foreign currency accounts	316,221	201,520
Closing cash and cash equivalents	59,853,400	66,613,755

**Notes:**

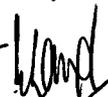
1. Cash and cash equivalents include balances with scheduled banks in current accounts, fixed deposits amounting to Rs. 300,000 (Rs. 300,000) under lien with bank on account of guarantees issued on behalf of the Company and other fixed deposits with banks amounting to Rs. Nil (Rs. 13,600,000)
2. The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 on 'Cash Flow Statements' prescribed under Companies (Accounting Standard) Rules, 2006.

**As per our report of even date**

For BSR & Co.  
Chartered Accountants

  
Jiten Chopra  
Partner  
Membership No.: 092894

For and on behalf of the Board of Directors

   
Vishnu R Dusad      P K Sanghi  
Director                      Director

Place: Gurgaon  
Date : 25 April 2010

Place: Noida  
Date : 25 April 2010

VirStra i-Technology Services Limited

Schedules forming part of the financial statements

	As at 31 March 2010 (Rupees)	As at 31 March 2009 (Rupees)
<b>SCHEDULE 1:</b>		
<b>Share capital</b>		
<b>Authorised capital</b>		
1,000,000 (Previous year : 1,000,000) equity shares of Rs.10 each	<u>10,000,000</u>	<u>10,000,000</u>
<b>Issued, subscribed and paid up</b>		
Issued, subscribed and paid up:		
1,000,000 equity shares of Rs.10 each , fully paid up	10,000,000	10,000,000
Of the above 999,994 (Previous year : 999,994) equity shares, fully paid up are held by Nucleus Software Exports Ltd., the holding company as well as the ultimate holding company and 6 (Previous year : 6) equity shares, fully paid up , are held by nominees on behalf of the holding company	<u>10,000,000</u>	<u>10,000,000</u>
<b>SCHEDULE 2:</b>		
<b>Reserves and surplus</b>		
<b>General reserve</b>		
Opening balance	37,286,950	23,645,737
Transferred from Profit and Loss Account	<u>12,367,865</u>	<u>13,641,213</u>
	49,654,815	37,286,950
<b>Hedging reserve (refer note 7, Schedule 15)</b>	2,658,810	(1,857,664)
<b>Profit and Loss Account</b>		
Opening balance	168,864,677	95,816,634
Add: Profit for the year	123,678,653	136,412,131
Less: Transferred to general reserve	(12,367,865)	(13,641,213)
Less: Dividend	(70,000,000)	(42,500,000)
Less: Corporate dividend tax	<u>(11,896,500)</u>	<u>(7,222,875)</u>
	198,278,965	168,864,677
	<u>250,592,590</u>	<u>204,293,963</u>

VirStra i-Technology Services Limited

Schedules forming part of the financial statements

Schedule 3: Fixed Assets

(All amounts in Rupees)

	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2009	Additions	Deductions / adjustments	As at 31 March 2010	As at 1 April 2009	Depreciation for the year	Deductions / adjustments	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
<b>Tangibles</b>										
Computers	21,652,669	1,418,434	-	23,071,103	18,220,881	2,345,603	-	20,566,484	2,504,619	3,431,788
Office and other equipment	12,113,835	1,146,609	-	13,260,444	7,016,880	2,540,795	-	9,557,675	3,702,769	5,096,955
Vehicle	845,916		(845,916)	-	552,046	42,180	(594,226)	-	-	293,870
Furniture and fixtures	114,750	456,380	-	571,130	65,356	70,964	-	136,320	434,810	49,394
<b>Intangibles</b>										
Software	11,183,598	41,072	-	11,224,670	10,473,243	651,315	-	11,124,558	100,112	710,355
<b>Current year</b>	<b>45,910,768</b>	<b>3,062,495</b>	<b>(845,916)</b>	<b>48,127,347</b>	<b>36,328,406</b>	<b>5,650,857</b>	<b>(594,226)</b>	<b>41,385,037</b>	<b>6,742,310</b>	<b>9,582,362</b>
Previous year	44,112,386	1,798,382	-	45,910,768	25,677,259	10,651,147	-	36,328,406	9,582,362	-

**VirStra i-Technology Services Limited**

**Schedules forming part of the financial statements**

	As at 31 March 2010 (Rupees)	As at 31 March 2009 (Rupees)
<b>SCHEDULE 4:</b>		
<b>Investments</b>		
<b>Long term investments</b>		
<b>Equity shares in wholly owned subsidiary - Unquoted</b>		
199,998 (Previous year 199,998) equity shares of SGD 1 each, fully paid up in Virstra i-Technology (Singapore) Pte Ltd, Singapore.	5,569,256	5,569,256
Less : Provision for diminution in value of investment in Virstra i - Technology (Singapore) Pte Ltd.	(5,569,256)	-
<b>Current investments</b>		
<b>Investments in mutual funds - Non trade and unquoted</b>		
Nil (Previous year 1,640,006) units of face value of Rs. 10 each of Reliance Liquid Fund - Treasury Plan-Institutional Option -Daily Dividend Option	-	25,071,103
47,295 (Previous year Nil) units of face value of Rs. 100 each of ICICI Prudential Flexible Income Plan Premium -Daily Dividend Option	5,000,765	-
5,397,483 (Previous year Nil) units of face value of Rs. 10 each of LICMF Income Plus Fund-Daily Dividend Plan	53,974,829	-
4,545,267 (Previous year Nil) units of face value of Rs. 10 each of LICMF Savings Plus Fund-Daily Dividend Plan	45,452,672	-
	<u>104,428,266</u>	<u>30,640,359</u>

**Notes:**

1. Net Asset Value (NAV) of current investments : Rs. 104,428,266 (Previous year : Rs. 25,071,103) as at 31 March 2010

2. Refer note 4, schedule 15 for details of investments purchased and sold during the year.

**SCHEDULE 5:**

**Sundry debtors**

(Unsecured, considered good)

Debts outstanding for a period less than six months*	47,245,037	88,506,097
	<u>47,245,037</u>	<u>88,506,097</u>

\*represents amount due from Nucleus Software Solution Pte. Ltd., Singapore, a body corporate under the same management within the meaning of Sub-section (1-B) of section 370 of the Companies Act, 1956.

**SCHEDULE 6:**

**Cash and bank balances**

Cash in hand	4,036	2,116
Balances with scheduled bank		
- in current accounts	59,549,364	52,711,639
- in fixed deposit accounts*	300,000	13,900,000
	<u>59,853,400</u>	<u>66,613,755</u>

\*include fixed deposits of Rs. 300,000 (Previous year Rs. 300,000) under lien with bank on account of guarantees issued on behalf of the Company

**SCHEDULE 7:**

**Loans and advances**

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	832,688	1,865,538
Advances recoverable on account of reimbursement of expenses **	12,064,280	18,044,717
Security deposits	4,717,850	4,930,350
MAT credit entitlement (refer note 18, Schedule 15)	42,053,354	20,565,904
Prepaid expenses	49,118	213,414
Advance tax [(Net of provision for tax Rs. 445,227 (Previous year 246,327)]	276,575	364,623
Mark to Market on forward contracts (refer note 7, schedule 15)	2,658,814	-
	<u>62,652,679</u>	<u>45,984,546</u>

\*\* includes amount due from Nucleus Software Solution Pte. Ltd., Singapore, [maximum amount outstanding during the year Rs. 21,616,968 (Previous year Rs. 24,825,550)] a body corporate under the same management within the meaning of Sub-section (1-B) of section 370 of the Companies Act, 1956.

VirStra i-Technology Services Limited

Schedules forming part of the financial statements

	As at 31 March 2010 (Rupees)	As at 31 March 2009 (Rupees)
<b>SCHEDULE 8:</b>		
<b>Other current assets</b>		
Interest accrued but not due	58,895	257,643
	<u>58,895</u>	<u>257,643</u>

**SCHEDULE 9:**

**Current liabilities**

Sundry creditors *	7,160,540	10,745,560
Due to holding company	4,031,692	2,704,526
Other liabilities	2,100,737	2,534,534
Advance from customer	3,318,942	5,744,296
Mark to Market on forward contracts (refer note 7, schedule 15)	-	1,857,664
	<u>16,611,911</u>	<u>23,586,580</u>

\* The Company has no amounts payable to micro, small and medium enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information.

**SCHEDULE 10:**

**Provisions**

Gratuity	3,801,602	3,129,414
Leave encashment	3,473,874	3,856,060
	<u>7,275,476</u>	<u>6,985,474</u>

**VirStra i-Technology Services Limited**

**Schedules forming part of the financial statements**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
<b>SCHEDULE 11:</b>		
<b>Sales and services</b>		
Software support services	<u>289,632,733</u>	<u>266,829,296</u>
	<u><b>289,632,733</b></u>	<u><b>266,829,296</b></u>
<b>SCHEDULE 12:</b>		
<b>Software support expenses</b>		
Salaries and allowances	103,252,788	95,191,863
Contribution to provident and other funds	5,587,787	5,006,363
Staff welfare	1,738,833	1,700,136
Conveyance	2,160,728	2,113,210
Communication	1,645,897	1,593,646
Bandwidth charges	3,324,068	8,352,707
Software and other development charges	-	65,055
Rent	6,557,160	7,299,733
Rates and taxes	-	169,031
Assets hire charges	1,750,743	2,949,451
Legal and professional	4,582,225	3,687,290
Repair and maintenance	433,704	1,902,991
Training and recruitment	2,985,934	3,472,244
Printing and stationery	180,762	137,786
Insurance	1,199,493	674,523
Travelling		
- Foreign	26,381,134	25,735,161
- Domestic	382,073	691,621
Consultancy charges	17,020,000	16,823,651
Electricity and water	2,391,357	2,382,991
Loss on foreign exchange fluctuation (net)	14,409,883	-
Miscellaneous expenses	<u>1,761,900</u>	<u>1,339,542</u>
	<u>197,746,469</u>	<u>181,288,995</u>
Less: Reimbursed by customer ( refer note 6, schedule 15)	<u>(35,414,381)</u>	<u>(41,399,718)</u>
	<u><b>162,332,088</b></u>	<u><b>139,889,277</b></u>
<b>SCHEDULE 13:</b>		
<b>General and Administration expenses</b>		
Provision for diminution in value of investments	5,569,256	-
Accounting charges	1,985,400	2,016,300
Bank charges	436,297	314,140
Loss on sale of Vehicle	<u>251,690</u>	<u>-</u>
	<u>8,242,643</u>	<u>2,330,440</u>
Less: Reimbursed by customer ( refer note 6, schedule 15)	<u>(2,421,697)</u>	<u>(2,330,440)</u>
	<u><b>5,820,946</b></u>	<u><b>-</b></u>

VirStra i-Technology Services Limited

Schedules forming part of the financial statements

SCHEDULE 14:	For the year ended 31 March 2010 (Rupees)	For the year ended 31 March 2009 (Rupees)
<b>Other income</b>		
Gain on foreign exchange fluctuation (net)	-	6,570,293
Dividend received from non-trade investments	1,673,137	990,347
Interest on fixed deposits [gross of tax deducted at source Rs. 104,303 (Rs.47,708)]	261,539	430,292
Miscellaneous income	35,173	72,450
	<u>1,969,849</u>	<u>8,063,382</u>

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**SCHEDULE 15:**

**Significant accounting policies and notes to the accounts**

**1. Background**

VirStra i-Technology Services Limited ('Virstra' or 'the Company') was incorporated in May 2004 in India. Virstra is a wholly owned subsidiary company of Nucleus Software Exports Ltd. The Company's business broadly consists of offshore and onsite software support services.

**2. Significant accounting policies**

**(i) Basis of preparation**

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards prescribed by the Companies (Accounting Standard) Rules, 2006 and as per the provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on the accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standard on an ongoing basis.

**(ii) Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include future obligations under employee retirement benefit plans and estimated useful life of fixed assets. Actual results could differ from these estimates. Any change in estimates are adjusted prospectively.

**(iii) Revenue recognition**

Revenue from software services comprises income from time and material contracts, which is recognised as the services are rendered.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.

Interest on the deployment of surplus funds is recognised using the time-proportion method, based on the rates implicit in the transaction.

**(iv) Fixed assets**

Fixed assets are stated at the cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring assets to their working condition for intended use.

Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as capital work-in-progress.

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**(v) Depreciation**

Depreciation on fixed assets is provided on the straight-line method based on useful lives of respective assets as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/ sold during the year. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The management's estimates of the useful lives of the various fixed assets are as follows:

<b>Tangible assets</b>	<b>Useful life (in years)</b>
Office and other equipment	5
Computers	4
Vehicles	5
Furniture and fixtures	5
<b>Intangible assets</b>	
Software	3

Such rates are higher than the rates specified in Schedule XIV of the Companies Act, 1956.

**(vi) Investments**

Investments are classified into long term and current investments based on the intent of management at the time of acquisition. Long-term investments including investment in subsidiaries are stated at cost and provision is made to recognise any decline, other than temporary, in the value of such investments. Current investments are stated at the lower of cost and the fair value.

**(vii) Foreign exchange transactions**

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the profit and loss account. Monetary assets and monetary liabilities that are determined in foreign currency are restated at the exchange rate prevalent at the date of Balance Sheet. The resulting difference is recorded in the Profit and Loss account.

The Company uses foreign exchange forward contracts to hedge its exposure to movement in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes.

The Company follows Accounting Standard (AS) 30 – “Financial Instruments: Recognition and Measurement” to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

The Company records the gain or loss on effective hedges in the hedging reserve until the transactions are complete. On completion, the gain or loss is transferred to the Profit and Loss Account of that period. To designate a forward contract as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the Profit and Loss Account.

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**(viii) Employee benefits**

*Short-term employee benefits*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc. are recognised in the Profit and Loss Account in the period in which the employee renders the related service.

*Defined contribution plans*

The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the Profit and Loss Account in the financial year to which they relate.

*Defined benefit plans*

**Gratuity**

The Company's gratuity plan is a defined benefit plan. The present value gratuity obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

*Other long term employee benefits*

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

**(ix) Operating leases**

Lease payments under operating lease are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

**(x) Earning per share**

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**(xi) Taxation**

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowance or other matters is probable. Minimum Alternate Tax ("MAT") paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly, it is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

The differences that result between the profit offered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantially enacted regulations. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax assets or liabilities arising due to timing differences, originating during the tax holiday period and reversing after the tax holiday period are recognised in the period in which the timing difference originate.

**(xii) Impairment of assets**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

**(xiii) Contingencies**

The company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

**VirStra i-Technology Services Limited**  
Schedules forming part of the financial statements

3. **Net deferred tax asset / (liability)**

Components of net deferred tax asset / (liability):

	As at 31 March 2010 (Rupees)	As at 31 March 2009 (Rupees)
<b>Deferred tax asset</b>		
Provision for retirement benefits	2,398,746	2,303,131
Difference of depreciation as per Income-tax laws and books of accounts	995,644	598,124
	<b>3,394,390</b>	<b>2,901,255</b>
 <b>Net deferred tax asset/(liability)</b>	 <b>3,394,390</b>	 <b>2,901,255</b>

4. **Details of investments purchased and sold during the year ended 31 March 2010**

Name of the investment	Purchased during the year		Sold during the year		
	Face value Amount (Rupees)	Quantity	Amount (Rupees)	Quantity	Amount (Rupees)
ICICI Prudential Institutional Liquid Plan – Daily dividend plan	100	49,997	5,000,765	49,997	5,000,765
LIC Income Plus Fund- Daily dividend plan	10	1000,000	10,000,000	1000,000	10,000,000
LICMF Liquid Fund- dividend plan	10	14,190,257	155,810,446	14,190,257	155,810,446
Reliance Medium Term Fund- Daily dividend plan	10	1,413,674	24,167,466	1,413,674	24,167,466
Reliance Liquid fund- Treasury plan	10	4,893,411	74,806,559	4,893,411	74,806,559

**Details of investments purchased and sold during the year ended 31 March 2009**

Name of the investment	Purchased during the year		Sold during the year		
	Face value Amount (Rupees)	Quantity	Amount (Rupees)	Quantity	Amount (Rupees)
UTI Fixed Income Interval Fund- Monthly Interval plan-II-IP- Reinvestment	10	2,013,272	20,132,725	2013272	20,132,725
SBI-SHF Liquid Plus-IP-daily dividend	10	2,012,309	20,133,151	2,012,309	20,133,151
LIC Income Plus Fund- Daily dividend plan	10	63,00,000	63,486,446	63,00,000	63,486,446
Reliance Medium term fund- Daily dividend plan	10	504,824	8,630,212	504,824	8,630,212
Reliance Liquid fund- Treasury plan	10	457,899	7,000,000	457,899	7,000,000
J.M.Money Manager Fund Super Plus Plan-Dividend	10	2,862,498	28,636,714	2,862,498	28,636,714

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**5. Employee Benefit Obligations**

**Defined contribution plans**

An amount of Rs. 5,587,787 (previous year Rs. 5,006,363) has been recognized as an expense in respect of Company's contribution for Provident Fund deposited with the government authorities.

**Defined benefit plans**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

The following table set out the status of the gratuity plan as required under the aforesaid standard:

Particulars	(Amounts in Rupees)	
	As at 31 March 2010	As at 31 March 2009
Obligation at period beginning	3,129,414	1,724,355
Current service cost	1,098,395	782,953
Interest cost	268,295	183,630
Actuarial losses / (gain)	(591,000)	438,476
Benefits paid	(104,192)	-
<b>Obligations at period end</b>	<b>3,801,602</b>	<b>3,129,414</b>
<b>Change in fair value of assets</b>		
Opening fair value of Plan Assets	-	-
Contributions by employer	104,192	-
Benefits paid	(104,192)	-
Closing fair value of Plan assets	-	-

The Scheme does not have any assets as at the valuation date to meet the gratuity liability.

**Gratuity cost for the period:**

	For the year ended 31 March 2010	For the year ended 31 March 2009
Current Service Cost	1,098,395	782,953
Interest Cost	268,985	183,680
Actuarial losses / (gains)	(591,000)	438,476
<b>Net gratuity cost</b>	<b>776,380</b>	<b>1,405,059</b>

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

Principal actuarial assumptions in respect of provision for gratuity at the Balance Sheet date are as follows :

**Economic assumptions:**

	As at 31 March 2010	As at 31 March 2009
Discount Rate	7.05% p.a.	6.65% p.a.
Salary Escalation Rate	5% p.a.	5% p.a.

a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

b) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Demographic assumptions:**

	As at 31 March 2010	As at 31 March 2009
Retirement age	58 years	58 years
Mortality table	LIC(1994-96) duly modified	LIC(1994-96) duly modified
Withdrawal rates	Ages- withdrawal Rate(%)	Ages- withdrawal Rate(%)
	21-50 years -20%	21-50 years -20%
	51-54 years - 2%	51-54 years - 2%
	55-57 years - 1%	55-57 years - 1%

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

6. The Company has entered into a service level agreement with Nucleus Software Solutions Pte. Ltd., Singapore ("NSS"), a body corporate under the same management as defined under section 370 (1-B) of the Companies Act, 1956. As per terms of the agreement, the Company provides software support services to NSS against which certain expenses incurred by the Company are reimbursed by NSS. The details of reimbursements are tabulated below:

<b>Particulars</b>	<b>For the year ended 31 March 2010</b>	<b>For the year ended 31 March 2009</b>
<b>Software support expenses</b>		
Salaries and allowances	4,154,852	1,707,909
Staff welfare	512,504	515,540
Conveyance	1245,213	1,264,712
Communication	1,645,897	1,593,646
Bandwidth charges	2,407,166	6,921,088
Software and other development charges	-	65,055
Rent, rates and taxes	6,557,160	7,300,554
Assets hire charges	1,750,743	2,949,451
Legal and professional	4,582,225	3,520,523
Repair and maintenance	433,704	1,902,991
Training and recruitment	2,985,934	3,472,244
Printing and stationery	180,762	137,786
Insurance	1,199,493	674,523
Travelling		
-Foreign	3,807,645	4,959,542
-Domestic	382,073	691,621
Electricity and water	2,391,357	2,382,991
Miscellaneous expenses	1,177,653	1,339,542
	35,414,381	41,399,718
<b>General and administration expenses</b>		
Accounting charges	1,985,400	2,016,300
Bank charges	436,297	314,140
	2,421,697	2,330,440
<b>Depreciation</b>	5,585,727	10,459,014
<b>Fringe Benefit Tax</b>	-	858,000
<b>Grand Total</b>	<b>43,421,805</b>	<b>55,047,172</b>

**VirStra *i*-Technology Services Limited**  
**Schedules forming part of the financial statements**

**7. Forward Contracts**

	<b>As at 31 March, 2010</b>	<b>As at 31 March, 2009</b>
Forward contract outstanding in USD	2,500,000	1,000,000
Equivalent amount in Rupees	112,725,000	50,740,000

As at 31 March 2010, the company has recorded marked to market profit of Rs. 2,658,810 (Previous year loss of Rs. 1,857,664) relating to forward contracts that are designated as effective cash flow hedges with a corresponding credit to hedging reserves.

The Company's exposure in respect of foreign currency denominated receivables not hedged as on 31 March 2010 by derivative instruments or otherwise is as follows;

	<b>As at 31 March 2010</b>	<b>As at 31 March 2009</b>
Current assets in USD	1,315,354	2,099,937
Current assets in Rupees	59,309,318	106,550,814

**8. Segment Reporting**

Based on the guiding principles stated in Accounting Standard 17 on Segment Reporting as specified in the Companies (Accounting Standard) Rules 2006, the Company has identified its business of providing software support services to the only customer in single country as one reportable segment only. Accordingly, no additional disclosure for segment reporting has been made in the financial statements.

**9. Related party disclosures**

**a) Related parties where control exists:**

**Holding company:**

- Nucleus Software Exports Ltd.

**Wholly owned subsidiary company**

- VirStra *i*-Technology (Singapore) Pte Limited, Singapore

**b) Other related parties with whom transactions have taken place during the year:**

**Fellow Subsidiary:**

- Nucleus Software Solution Pte Limited, Singapore
- Nucleus Software Japan Kabushiki Kaiga, Japan

**VirStra i-Technology Services Limited**  
Schedules forming part of the financial statements

**c) Transactions with related parties**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
<b>i. Software support services rendered</b>		
To fellow subsidiary	289,632,733	266,829,296
<b>ii Reimbursement of expenses</b>		
From fellow subsidiary	43,421,805	55,047,172
To holding company	1,675,025	4,100,605
To fellow subsidiary	609,210	-
<b>iii. Consultancy charges paid</b>		
To holding company	16,545,000	16,823,651
<b>iv. Interim Dividend</b>		
To holding company	70,000,000	42,500,000

**d) Outstanding balances at year end**

	<b>As at 31 March 2010 (Rupees)</b>	<b>As at 31 March 2009 (Rupees)</b>
<b>i. Sundry debtors</b>		
Nucleus Software Solution Pte Limited, Singapore.	47,245,037	88,506,097
<b>ii. Loans and advances</b>		
Nucleus Software Solution Pte Limited, Singapore.	12,064,280	18,044,717
<b>iii. Advances from customers</b>		
Nucleus Software Solution Pte Limited, Singapore.	3,318,942	5,744,299
<b>iv. Sundry creditors</b>		
Nucleus Software Exports Ltd.	4,031,692	2,704,526
Nucleus Software Japan Kabushiki Kaiga, Japan	609,210	-

**10. Auditors' remuneration :**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
Audit fees #	600,000	600,000
Other services #	225,000	210,000
Out of pocket expenses	8,532	16,854
<b>Total</b>	<b>833,532</b>	<b>826,854</b>
# exclusive of service tax.		

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**11. CIF value of imports**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
Capital goods	1,801,496	389,431
<b>Total</b>	<b>1,801,696</b>	<b>389,431</b>

**12. Expenditure in foreign currency**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
Travel expenses(net of reimbursements)	23,580,031	20,966,387
Computer maintenance	-	58,491
<b>Total</b>	<b>23,580,031</b>	<b>21,024,878</b>

**13. Earnings in foreign currency**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
Income from software support services	289,632,733	266,829,296
<b>Total</b>	<b>289,632,733</b>	<b>266,829,296</b>

**14. Earnings per share**

	<b>For the year ended 31 March 2010 (Rupees)</b>	<b>For the year ended 31 March 2009 (Rupees)</b>
Profit after taxation available to equity Shareholders (Rs.)	123,678,653	136,412,163
Weighted average number of equity Shares used in calculation of basic and diluted earnings per share	1,000,000	1,000,000
Basic and diluted earnings per share (Rs.)	123.68	136.41

**VirStra i-Technology Services Limited**  
**Schedules forming part of the financial statements**

**15. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances) Rs. 45,000 (Previous year Rs. 95,000)

- 16.** The Company leases office space under operating lease. The lease rental expense recognised in the Profit and Loss account for the year in respect of such lease is Rs. 6,557,160 (Previous year Rs. 7,299,733). The future minimum lease payment in respect of such lease is as follows:

	As at 31 March 2010 (Rupees)	As at 31 March 2009 (Rupees)
Not later than one year	1,092,860	6,557,160
Later than one year but not later than five years	Nil	1,092,860
	<b>1,092,860</b>	<b>7,650,020</b>

- 17.** The company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the financial year and expects such records to be in existence latest by 30 September 2010 as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 18.** Operations of the company are conducted through Software Technology Park ('STP'). Income from STP are exempt up to 31 March 2011.

Pursuant to the change in the Indian Income Tax Act, 1961, the company has calculated its tax liability after considering Minimum Alternative Tax (MAT). The MAT credit entitlement can be carried forward and set off against the future tax liability. Accordingly a sum of Rs. 42,053,354 (Previous year Rs. 20,565,904) was carried forward and shown under "Loans and advances" in the balance sheet.

- 19.** Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

*For and on behalf of the Board of Directors*



**Vishnu R Dusad**  
*Director*



**P K Sanghi**  
*Director*

Place: Noida  
Date: 25 April 2010

**VirStra i-Technology Services Limited**

**Information pursuant to Part IV of Schedule VI of the Companies Act, 1956**

**Balance Sheet Abstract and Company's General Business Profile**

**I. Registration details**

Registration No: 55-126213 State Code 55

Balance Sheet Date 31 March 2010

**II. Capital raised during the year (Rupees in thousands)**

Public issue Nil Rights issue Nil

Bonus issue Nil Private placement Nil

**III. Position of mobilisation and deployment of funds (Rupees in thousands)**

Total liabilities 284,480 Total assets 284,480

**Sources of funds**

Paid-up capital 10,000 Reserves and surplus 250,592

Secured loans Nil Unsecured loans Nil

**Application of funds**

Net fixed assets\* 6,847 Investments 104,428

Deferred tax asset 3,394 Net current assets 145,923

Miscellaneous Expenditure Nil Accumulated losses Nil

\* includes capital work in progress of Rs. 105 thousand

**VirStra i-Technology Services Limited**

**Information pursuant to Part IV of Schedule VI of the Companies Act, 1956**

**IV. Performance of Company (Rupees in thousands except earnings per share)**

Turnover (including other income) 291,603	Total expenditure 168,218
Profit before tax 123,384	Profit after tax 123,679
Earnings per share ( <i>in Rupees</i> ) 123.68 ( <i>Basic</i> ) 123.68 ( <i>Diluted</i> )	Dividend rate % 70

**V. Generic names of Principal Products/Services of Company (as per monetary terms)**

Product description: . . . . . *Software services*

Item code (ITC code): . . . . . *Not Applicable*

*For and on behalf of the Board of Directors*



**Vishnu R Dusad**  
*Director*



**P K Sanghi**  
*Director*

Place: Noida  
Date: 25 April 2010