



Idhasoft Limited

B-407, BSEL Tech Park, 4th Floor, Opp Vashi Rly Station, Sector 30-A, Vashi, Navi Mumbai, 400 705. India.

Tel.: +9122 67232800 / +9122 67232900. Website: www.idhasoft.co

CONSOLIDATED BALANCE SHEET AS ON 31 MARCH, 2008

	Schedule	Amount in USD	
		2007-2008	2006-2007
SOURCES OF FUNDS :			
Share Capital	A	11,558,950	6,218,835
Reserves and Surplus	B	6,882,892	(309,115)
Unsecured Loans	C	4,165,844	848,778
Minority Interest		-	1,901,436
Deferred Tax Liability/ (Asset)		88,540	(59,904)
TOTAL USD		22,696,226	8,600,029
APPLICATION OF FUNDS :			
Goodwill		20,495,695	2,860,069
Fixed Assets			
Gross Block		1,954,663	661,037
Less : Accumulated Depreciation		724,037	94,127
Net Block		1,230,626	566,910
Add : Capital Advances		-	2,674
		1,230,626	569,584
Investments	D	88,843	271,413
Current Assets, Loans & Advances			
Sundry Debtors		23,537,986	4,391,651
Cash And Bank Balances	E	2,934,478	1,545,574
Loan And Advances	F	5,817,754	1,921,855
		32,290,218	7,859,080
Less: Current Liabilities And Provisions			
Current Liabilities	G	29,072,724	2,896,561
Provisions	H	2,475,304	136,040
		31,548,028	3,032,601
Net Current Assets(Working Capital)		742,190	4,826,478

Miscellaneous Expenditure

Preliminary Expenses	I	138,872	72,485
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(To The Extent Not Written Off)

TOTAL USD22,696,2268,600,029**Notes to Accounts**J

As per our report of even date

For E.A. Patil & Associates
Chartered Accountants

for and on Behalf of the Board of Directors of
Idhasoft Limited

E.A. Patil
Partner
Membership No 31979

Dr. Ramesh Subramaniam
Managing Director

Alok Pathak
Director & CEO

Navi Mumbai

Date:



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CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

Amount in USD

	2007-2008	2006-2007
<u>INCOME</u>		
Software Service Income	80,794,443	6,346,536
Resale Income	19,190,972	-
Other Income	379,452	10,517
	100,364,867	6,357,053
<u>LESS: EXPENSES</u>		
Payroll Cost	40,223,649	4,513,124
Resale Expenses	15,763,840	-
Commission	356,387	-
Contractor & Consultants	27,463,896	1,288,678
Insurance	1,538,262	193,810
Employee Related Expenses	2,987,531	162,267
Facilities Expenses	1,885,584	178,271
Other General and Admin Expenses	1,838,987	86,435
Marketing	290,196	133,075
Bad Debts	206,062	-
Finance Costs	98,273	311
Foreign Exchange Fluctuation	71,330	61,837
Preliminary Exps Write-Off	17,658	3,791
	7,623,211	(264,546)
Net Profit Before Depreciation		
Less : Interest	361,535	-
Less : Depreciation	481,479	12,660
	6,780,196	(277,206)
Net Profit Before Taxation		
Less : Provision For Income Tax	2,117,517	121,308
Less : Provision For Fringe Benefit Tax	13,571	1,814
Less : Wealth Tax	89	-
Add : Deferred Tax Asset/ (Liability)	43,770	59,905
Profit After Taxation	4,692,790	(340,423)

Less: Preacquisition Profit	2,277,924	-
Less: Share of Minority Interest	-	(31,309)
Balance Transferred to Balance Sheet	2,414,866	(309,114)
Basic earning per share	0.01	(0.00)

As per our report of even date

For E.A. Patil & Associates
Chartered Accountants

For and on Behalf of the Board of Directos of
Idhasoft Limited

E.A. Patil
Partner
Membership No 31979

Dr. Ramesh Subramaniam
Managing Director

Alok Pathak
Director & CEO

Navi Mumbai
Date:

CONSOLIDATED CASH FLOW STATEMENT
For the year ending 31st March 2008
(AS-3 [REVISED])

(In USD)

	2007-08	2006-07
<u>I. Cash flow from Operating Activities:</u>		
Net Profit TRF to Balance Sheet	2,414,866	(309,115)
Add: Provisions for taxes	2,131,177	122,503
Add: Provisions for expenses	208,088	12,918
Add: Depreciation	629,910	12,660
Add: Change in deferred Taxes	148,444	(59,905)
Add: Foreign Fluctuation Loss	(840,947)	61,837
Add: Preliminary Exps. W/off	17,658	3,791
Less: Outflow to Previous Owners	(3,008,015)	-
Operating profit before working capital ch	1,701,182	(155,311)
Add: Increase in Sundry Creditors & all other liabilities	11,740,991	2,834,725
Add: Increase in Liabilities against Investments in subsi	14,612,422	2,679,414
	28,054,595	2,679,414
Less: Increase in Debtors	(21,582,196)	(4,391,651)
Add: Deposits redeemed	825,665	(1,038,023)
Less: Increase in Other Loans & Advances	(1,505,817)	(883,213)
Net Cash (used in)/ from Operating Activities		(3,633,473)
		5,792,247
<u>II. Cash flow from Investing Activities :</u>		
Purchase of Fixed Assets	(1,290,953)	(663,710)
Net Investments in Subsidiaries (As per schedule attached)	(16,417,207)	(877,166)
Realisation from Investments	182,570	(271,413)
Additional Preliminary Exps during the year	(84,045)	(76,276)
Net Cash used in Investing Activities		(1,888,565)
		(17,609,635)
<u>III. Cash flow from Financing Activities :</u>		
Equity Share Capital	2,578,870	6,218,835
Share Premium Received	4,549,109	
Share Application Money	2,262,870	
Share Warrant	498,375	
Loan repaid to Directors	(15,419)	37,285
Increase in Commercial Loan	255,397	811,493
Line of Credit	1,681,887	-
Increase In Unsecured Loans	1,395,201	-
Net Cash from Financing Activities		7,067,614
		13,206,290
Net Increase/(Decrease) in Cash and Cash Equivalents		1,545,575
Add: Opening Balance of Cash & Cash Equivalents		-
		1,545,575
Closing Balance of Cash and Cash Equivalents		1,545,575
		2,934,478

As per our report even date,
for E.A.Patil & Associates
Chartered Accountants

For and on Behalf of the Board of directors of
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E.A.Patil
Partner
Membership No.31979

Dr.Ramesh Subramaniam
Managing Director

Alok Pathak
Director & CEO

Schedule for Net Investments in

Subsidiaries

Total Increase in Goodwill(investment)	17635625.97	
Total Eliminations for calculating Goodwill	3690390	
Minority Interest taken over (as per previous balance sheet)	<u>1932745.006</u>	23258760.97
Less:		
Shareholders funds as on acquisition date		6841553.756
Net Investments in Subsidiaries taken over during the year		<u><u>16417207.22</u></u>

As per our report even date,
for E.A.Patil & Associates
Chartered Accountants

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E.A.Patil
Partner
Membership No.31979

Dr.Ramesh Subramaniam
Managing Director

Alok Pathak
Director & CEO



Idhasoft Limited

	2007-2008	2006-2007
<u>SCHEDULE - A</u>		
<u>SHARE CAPITAL</u>		
Issued, Subscribed & Paid Up Capital	7,789,883	5,211,013
Share Warrants	498,375	-
<i>[Refer Schedule - J Notes to Accounts 9]</i>		
Share Application Money	3,270,692	1,007,822
TOTAL USD	11,558,950	6,218,835

<u>SCHEDULE - B</u>		
<u>Reserves & Surplus</u>		
Securities Premium	4,549,109	-
Foreign Currency Translation Reserve	55,574	-
Profit & Loss A/c	2,278,208	(309,115)
TOTAL USD	6,882,892	(309,115)

<u>SCHEDULE - C</u>		
<u>UNSECURED LOANS</u>		
Loan from Directors	21,866	37,285
	-	
Commercial Loan	255,397	-
Line of Credit	1,681,887	-
Other	2,206,694	811,493
TOTAL USD	4,165,844	848,778

<u>SCHEDULE - D</u>		
<u>INVESTMENTS</u>		
Regions Investment	-	271,413
Marketing Investment	88,843	-
TOTAL USD	88,843	271,413

SCHEDULE - E

CASH AND BANK BALANCE

Cash on Hand	4,460	524
Balance with scheduled banks	528,548	176,018
Balance with other banks on current account	2,401,471	1,369,032
TOTAL USD	2,934,478	1,545,574

SCHEDULE - F**LOANS AND ADVANCES**

(unsecured, considered good unless otherwise stated)

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

Considered good	3,061,710	718,003
Acquisition Cost	27,358	-
Deposits	212,358	1,038,023
Interest Receivable	5,957	-
TDS receivable	61,846	-
Prepaid Expenses	979,585	165,210
Currency Fluctuation Account for investment account	844,683	-
Product Development Cost	492,319	-
VAT on Purchase	19,675	-
Advance to Creditors	76,372	-
Service Tax Credit	34,847	-
Advance Income Tax	1,045	619
TOTAL USD	5,817,754	1,921,855

SCHEDULE - G**CURRENT LIABILITIES**

Sundry Creditors	11,949,190	2,655,460
Payable against subsidiary company investments	14,435,170	-
(amounts are not yet due for payment)		
Payroll liabilities	1,117,636	-
Deferred Income	17,250	-
Long Term liabilities	134,128	-
Dividends Payable	778,863	-
Other liabilities	640,486	241,101

TOTAL USD	29,072,724	2,896,561
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SCHEDULE - H

PROVISIONS

Professional Tax Payable	1,061	381
PF & ESIC Payable	570	-
Gratuity Payable	38,030	-
TDS Payable	51,008	12,536
Service Tax Payable	44,237	-
Sales Tax payable	34,193	-
Provision for Income Tax	2,287,441	121,308
Wealth Tax Payable	89	-
Cess Payable	5,904	-
Provision for FBT	12,772	1,814

TOTAL USD	2,475,304	136,040
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SCHEDULE - I

MISC. EXPENSES

Pre Incorporation Expenses	5,579	6,480
Preliminary Expenses	63,237	66,005
Share Allotment Expenses	67,946	-
Share Transfer Fees	2,110	-

TOTAL USD	138,872	72,485
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