



# Prithvi Information Solutions Limited

(An ISO 9001-2000 Company)

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## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2008

(Rs. in Lakhs)			
S.No.	Particulars	Year ended 31.03.08 (Audited)	Year ended 31.03.07 (Audited)
1	Net Sales/Income from Operations	111279.06	76910.81
2	Other Income/(Loss)	1324.22	232.19
3	<b>Total Income</b>	<b>112603.28</b>	<b>77143.00</b>
4	Expenditure		
	a. Purchase of traded goods	1794.33	774.33
	b. Software development expenditure	79464.27	54139.12
	c. Employees cost	8087.46	6342.44
	d. Selling, General and Administrative expenditure	11851.39	5854.52
	e. Depreciation	1385.16	549.73
	<b>f. Total</b>	<b>102582.61</b>	<b>67660.14</b>
5	Interest & Financial costs	1007.97	362.47
6	Prior Period items	1991.89	-
7	<b>Profit from Ordinary Activities before tax</b>	<b>7020.81</b>	<b>9120.39</b>
8	Tax expense		
	Current Tax	465.72	70.92
	Tax adjustment for earlier period	183.60	(15.01)
9	<b>Net Profit from Ordinary Activities after tax</b>	<b>6371.50</b>	<b>9064.48</b>
10	Paid-up Equity share capital (Face Value of Rs.10/-)	1807.70	1807.70
11	Reserves excluding revaluation reserves	38762.14	35932.88
12	<b>Earnings Per Share for the year (EPS)</b>		
	Basic	Rs. 35.25	50.14
	Diluted	Rs. 22.95	35.93
13	Dividend per share of Rs.10/- each	Rs. 3.00	3.00
14	Public Shareholding:		
	- Number of Shares	12176789	12626799
	- Percentage of Shareholding	67.36	69.85
	Items exceeding 10% of aggregate expenditure	-	-

### Notes:

- The above audited results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 9th July, 2008.
- Sales for the year ended 31st March, 2008 has increased by 44.69% compared to last year.
- Selling, General and Administrative expenditure includes a provision of Rs. 30.95 Crores on account of MTM on derivatives and foreign exchange loss of Rs. 18.27 Crores.
- Other Income consists of income from mutual funds and interest on deposits.
- The utilisation of IPO proceeds as at 31st March, 2008 is as follows : (a) spent towards IPO expenses - Rs.10 crores, (b) Working Capital induction - Rs. 29 crores and (c) spent on offshore Development Centre - Rs. 67 Crores. Balance is being utilised in due course.
- There were no investor complaints pending or unattended for redressal at the beginning and end of the year. Forty(40) investor complaints were received during the year and were duly attended/disposed off.
- Previous year figures are regrouped/ reclassified where ever necessary.
- The company has only one segment. viz. Software.
- The observations made by auditors in the Limited Review Report of Q3 is available on NSE website. The observations of the auditors for the year under audit are as under :
  - Advances recoverable include certain overdues of Rs. 737 lakhs . In the absence of appropriate evidence we are unable to comment upon the recoverability of such advances : **The Company is confident of recovering the amounts and thus it would have no impact on profitability.**
  - Rs 62.60 Lakhs. Out of Operating expenses has no supporting documents readily available. Accordingly, we are unable to comment upon the appropriateness of such expenses : **The amounts of small cash payments were paid to various persons during the year which were sanctioned and authorized by MD.**
  - Fixed assets have not been physically verified by the management during the year, hence, we are unable to comment on the discrepancies, if any : **It has been physically verified by the management and documents to this effect are being submitted to auditors.**
  - The Management has not conducted physical verification of inventory at reasonable intervals during the year or at the year end : **The items in CKD condition were issued into production immediately on import after making necessary entries. The production process being such that physical verification thereafter is not possible and hence the physical verifications were not taken up. However the auditors were able to verify third party (BSNL) certified physical dispatch schedule of completed product.**
  - The Company has not yet established procedures for physical verification : **Appropriate method of Internal Control and procedures could not be established in full since this is the first order of the item the Company got. The production and other details were to be transferred from the overseas supplier. The items are fully existing and been confirmed by a third party.**
  - Undisputed statutory dues and other material statutory dues as applicable have generally been regularly deposited with appropriate authorities except for income tax and provident fund where there has been significant delays in few cases : **The delays occurred due to teething problems faced in synchronizing the new payroll software which the Company implemented. This took time to stabilize and give accurate reports to enable timely payment of these dues.**
  - The Company has given a guarantee in respect of loans taken by others from bank or financial institutions in respect of which it has not charged any commission. In our opinion the same is prejudicial to the interest of the Company : **The guarantee was given to a Party which was procuring items for the Company which are required to meet the BSNL telecom order in assembling and testing which functions were outsourced to this Party.**

By Order of the Board  
Sd/-

V. Satish Kumar  
Managing Director

Hyderabad  
9th July, 2008