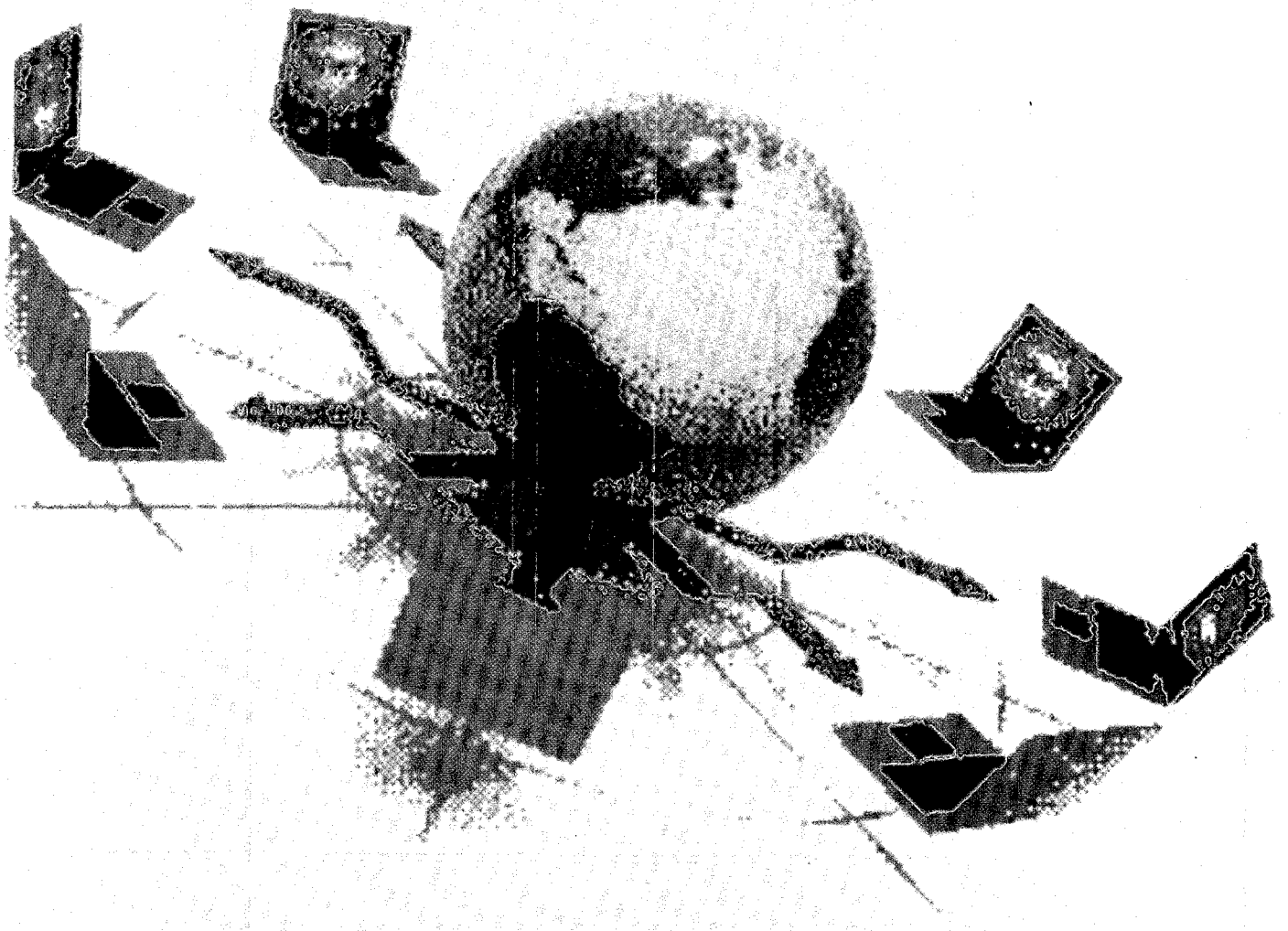


**NINTH ANNUAL REPORT 2008-09**

**FIRST OBJECT**  
**TECHNOLOGIES LTD**



**Year 2008-09**  
**Looking Ahead**

## CORPORATE INFORMATION

### Board of Directors:

Dr. Vivek Hebbar	Chairman, Board of Directors
J. Satya Surya Narayana	Director
L.V. Ramnarayan	Independent Director
P. Ramnath	Independent Director
N. Shiva	Independent Director
P. Sailesh	Independent Director
Sita Rama Sastry	Additional Director (appointed w.e.f. 15.10.2009)

### Auditors:

J & K. Agarwal & Co.  
Chartered Accountants  
204, Camy House,  
3 Dhus Wadi  
Off . Dr.Cawasji Hormusji Street  
Mumbai - 400 002

### Internal Auditor:

Sumeet & Murali  
K. S. M. Krishna, Chartered Accountant

### Company Secretary:

Bijoy Pulipra

### Registered Address :

Firstobject Technologies Limited  
Swayamkrishi, 1st Floor,  
SMILINE Building,  
No: 8-3-952/10/2 & 2/1  
Srinagar Colony,  
Hyderabad-500 073, India.  
Tel: 040 - 20000235/20000233  
Email : info@firstobjectindia.com  
Website : www.firstobjectindia.com

### Registrars:

Bigshare Services Pvt. Ltd  
E/2, Ansa Industrial Estate  
Saki Vihar Road, Saki Naka ,  
Andheri (E) Mumbai -400053  
Tel : 28523474, 28560652,28560653  
Fax : 28525207  
Email : bigshare@bom7.vsnl.net.in

### Bankers:

Axis Bank Limited  
Dhanalakshmi Bank Limited

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**MESSAGE FROM CHAIRMAN, BOARD OF DIRECTORS, DR.VIVEK HEBBAR**

Dear Shareholders, Patrons and Customers,

It is with great pleasure and a sense of profound satisfaction that I present the 9th Annual Report of your company, the first report after the company's turn around taken place last year. At the outset, I place on record my deep gratitude to all the shareholders for reposing faith on our company, amidst tough market conditions prevalent during 2008-09. I immensely value your trust and we would endeavour to live up to your faith.

The company's operational facility on long lease went through re-building process as the facility got affected with a major fire accident due to short-circuit of electricity, which took place on 5th May 2009. The management took the re-building process as a challenge, as the trajectory took place more particularly, when the company is progressing well as a restructured entity. However operations did not come to a halt as the management relocated the operations to a hired premises for uninterrupted services to its esteemed clients as a part of interim risk management. With the recommencement of its facility in the month of November 2009, the operations of the Company, which hitherto were taking place from alternative rented premises for the smooth continuation of the work, got shifted to the 120 seater (24\*7) facility in a phase wise manner. The Company has shown strong determination in re-building its operational facility.

I am delighted to report that we are well positioned in these testing times due to our strong commitment to grow in the Indian and Emerging markets with the support of strong turnaround balance sheet and proven record of organic growth coupled with low cost of operations. This provides the foundation for delivering profitable growth and creating long term shareholder value.

Irrespective of all odds, with the all round efforts of employees and management, the company for the first time in the long history of about a decade, for the first time announced interim dividend during 2009-10, as a mark of respect to its all share holders.

The last twelve months have been a period of continued growth for our company. Sustainable development is a key for our business. We remain committed to the "Ongoing and new projects in BPO and KPO, which strive to make a positive and sustainable impact on the business community. We will continue to enhance this focus and to continue our efforts to actively engage with our stakeholders, concerning this integral aspect of our business philosophy.

During the year 2009-10, Your company is all set to foray into E-Education (or electronic learning or eLearning), which is gaining prominence in India rapidly, which would benefit the company in a major way. Apart from providing proper course works and tutorials for school, college and University Students, our E-Education programs would conduct mock tests for various competitive examinations like engineering, medical, management etc. The reach of E-learning in India is expected to be expanded at a faster pace as the economy has witnessed tremendous growth in the recent past, also helped in the growth of online education in India. The future of E-learning industry seems to be very bright in India as number of Internet users are growing in the country.

We are proud of the knowledge and intellectual capital that our young professional workforce brings to the organisation. The challenging assignments they are given at an early stage in their careers make them highly motivated, committed and enthusiastic. Our hands-on participative style of management continues to strengthen our organisational culture and values to grassroot levels.

Our people are at the centre of our technology and operations and the successes that we have been able to report are due to the outstanding commitment and contribution of our employees. It is because of them that we have come a long way in a short time. On behalf of the Board I am thankful to all of them for their continuing support and efforts.

**Acknowledgements:**

I would like to sincerely thank all our valued customers, both domestic and international, for their unstinted support at all times. Their active involvement has been a source of great encouragement and inspiration.

I am sure that your company will continue to have your blessings.

I take this opportunity to express my sincere thanks to The Government of India, The Government of Andhra Pradesh and Government of Maharashtra, and the financial institutions and banks for their encouragement and support to our company.

*I would like to thank our collaborators for their help and assistance.*

I sincerely appreciate the contributions of all our employees and request them to carry on the good work for a great future of **FirstObject Technologies Limited**.

I, with great pleasure thank our shareholders for their great support at all times. Wealth Maximisation of the Shareholders is the main motto for which, the company is striving.

Conclusion:

While concluding, I convey my personal gratitude for the confidence that you have reposed in your company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us so that we, along with the management team, and all employees will further accelerate the growth and progress of the company.

Thank you!

Best Regards,

**Dr Vivek Hebbar**

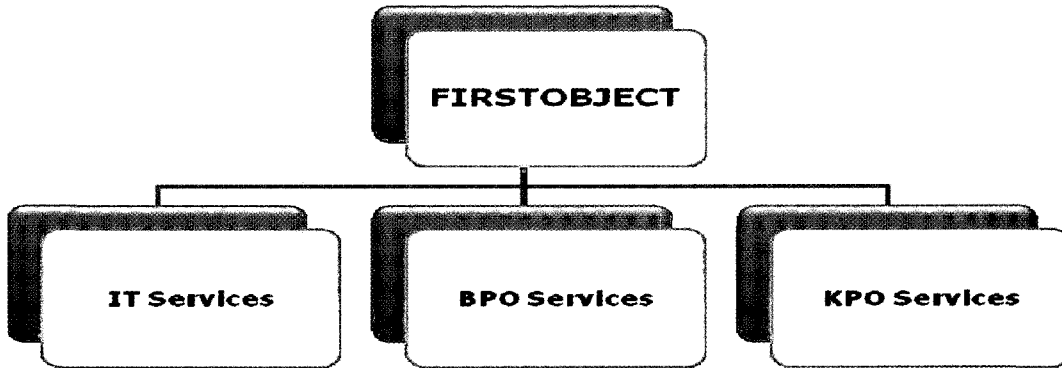
Chairman, Board of Directors

**CORPORATE OVERVIEW**

FirstObject Technologies Limited (FTL) is a provider of integrated business, technology and process solutions on a global delivery platform.

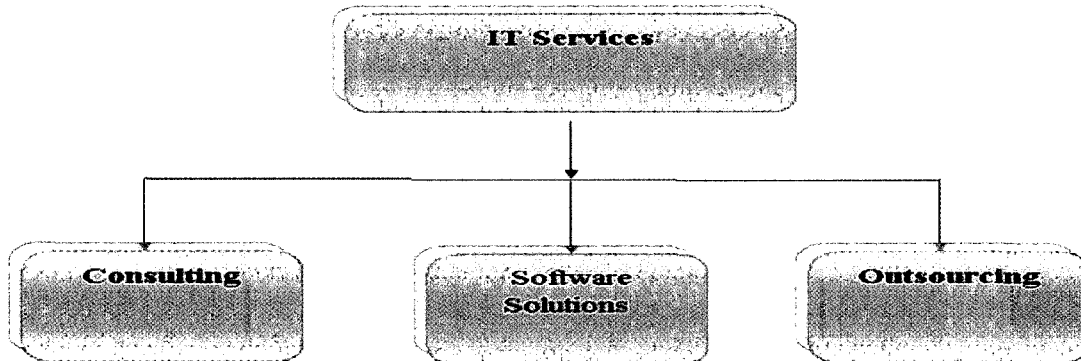
Since the financial year 2007-08, which we recognize as a TURN AROUND year, every initiative, every partnership and above all our project execution levels are built around solid base. Though best is still to be achieved, substantial efforts from our side made FirstObject the technology partner of choice for nascent, growing and established businesses.

FirstObject's Business areas can be segmented as follows:-



**IT Services:**

FirstObject delivers comprehensive, efficient, and robust solutions tailored to various enterprise needs.



**Consulting At FirstObject:**

Consulting help clients successfully execute and manage business process management and outsourcing strategy, to achieve breakthrough results. As long-term partners in our client's success, we build the capability to execute strategy and accelerate time to results. The outcome - our client's increased ability to manage business processes effectively and efficiently to better support their strategic business plans, to improve performance, profitability, and shareholder value.

We focus exclusively in segments of the market where we can provide strategic, multi-process, end-to-end business solutions and where we can leverage our firm's core competencies to help clients build customer and shareholder value. Our approach is to provide integrated business solutions that benefit the entire organization and our goal is to deliver significant business value to our clients.

**Enterprise Resource Planning (ERP) At FirstObject:-**

FirstObject, a leader in enterprise resource planning software and maker of one of the industry's single-source software solutions, which provides with all the functionalities, efficiently manage and improve business processes. The company's flagship product, Enterprise-First, intuitively combines real-time manufacturing, accounting, and supply chain management into one database.

FirstObject provides business and plant management software that allows manufacturers to run more effectively and more profitably.

**CORPORATE OVERVIEW**

FirstObject provides product development, support, implementation and training. Enterprise-First also offers features such as quality control, CRM, Customer service management, demand management, order fulfillment, manufacturing flow management, supplier relationship management, product development and commercialization, Returns management and eBusiness solutions designed for the automotive, medical, appliance, construction, house wares and other industries.

**Outsourcing Services At FirstObject:-**

**Business Process Outsourcing at FirstObject:**

FirstObject takes charge of all or part of the management of a client's IT resources. The company has developed a range of services requiring expertise in IT systems management, business process management and pricing flexibility to maximize the cost/performance ratio. Business process outsourcing, which allows the client to outsource major support functions such as accounting or procurement, is a major service offering for **FirstObject Technologies Ltd.**, and is an area where our collaborative approach becomes most tangible for our clients.

**Knowledge Process Outsourcing at FirstObject:**

Outsourcing helps firms to deal with competitive pressures on firms to bring out new products at an ever rapid pace to meet market needs. As such, the pressures on the R&D department are increasing. In order to alleviate the pressure, firms have to either increase R&D budgets or find ways to utilize the resources in a more productive way. There are situations when a firm may consider outsourcing some of its R&D work to a contract research organizations, offshore companies and universities.

**FirstObject** is poised to become a leader in Global Knowledge Process Outsourcing, by developing fully integrated solutions that combine best-of-breed technology, leading-edge infrastructure and domain expertise to give the most streamlined process available.

FirstObject Technologies provides middle office and back office support to capital market arms of leading global banks, educational institutions, manufacturing giants and services companies.

The processes support is given for all asset classes including equity, fixed income, currencies and commodities.

We provide data analytics and customized process solutions to global enterprise clients spread across the world from our centers in India. Our portfolio of services comprises data analytics, operations management, data audits, matrices management and reporting services.

We provide service solutions using a mix of custom designed data processes, delivery teams comprising generalists and domain specialists, and in-house software to automate processes.

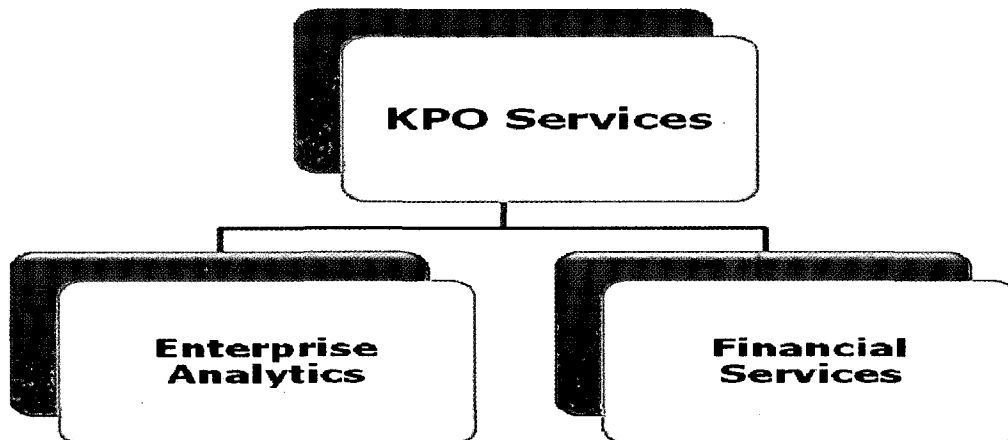
We currently offer our services to clients in the financial services, retail, manufacturing industries and various other sectors.

Some of our largest clients in terms of revenue contribution include leading global corporations with whom we have multi-year partnerships.

FirstObject customer-partners are all leaders in their respective industries and are included in top business enterprises. With each of our partners, we manage a number of discrete programs providing specific needs across multiple divisions. Current customer programs include data search programs, research report preparations, price monitoring and competitive analytics, financial contract risk management and data reconciliation services.

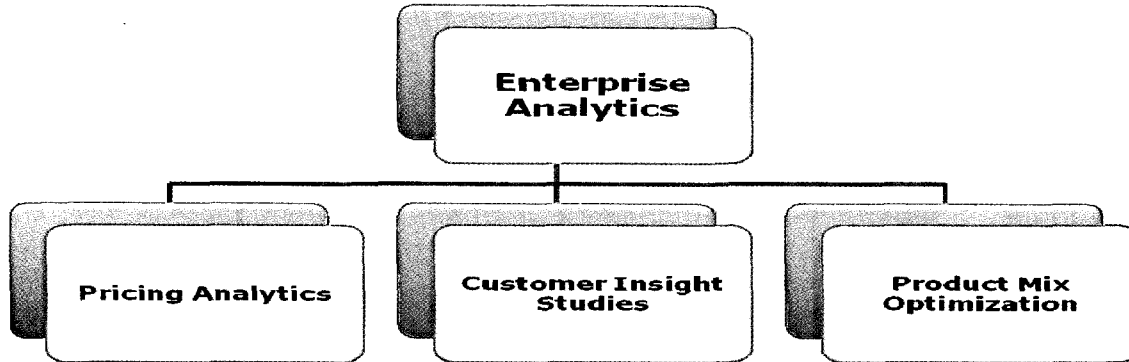
FirstObject has made definite inroads in the Knowledge Process Outsourcing (KPO) segment. This according to the market leaders is the industry of the future. The company today has made deep in roads in the said segment and visualizes a bright future in the said segment.

Our KPO services could be segmented as depicted in chart below:-



**CORPORATE OVERVIEW**

Enterprise Analytics could be segmented as depicted in chart below:



**Pricing Analytics**

**FirstObject** provides detailed competitive price benchmarking of their client's products and pricing recommendations based on market conditions. The company provides this service across local markets in multiple countries and handles different languages using proprietary tools and processes. This service is targeted towards organizations operating in markets where product prices change frequently.

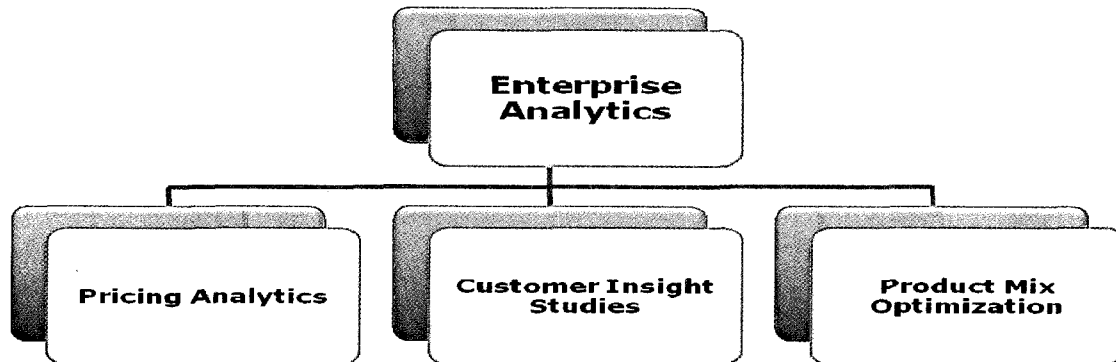
**Customer Insight Studies**

**FirstObject** monitors and analyze customer feedback across a variety of channels including customer chat forums, bulletin boards, customer reviews and customer support logs from their contact centers and ensure compliance with applicable terms of service rules, in the process. On the basis of our analysis, the company advise their clients on product and client service improvements

**Product Mix Optimization**

**FirstObject** analyze their clients' catalogues vis-à-vis those of their competitors and also against broad industry trends to assist their clients in optimizing their product offerings. The company analyzes past sales data of their clients' products and ascertains product correlations, which are aimed at maximizing their clients' transaction value for each sale and optimizing their product portfolio.

Financial Services could be segmented as depicted in chart below:



**Portfolio Matching and Reconciliation**

**FirstObject** reconciles large portfolios of trade transactions between clients and their customers and report variance in positions and valuations. They identify mismatched positions and help measure and mitigate the risks arising from such positions.

**Transaction Maintenance**

**FirstObject** optimizes transaction portfolios to agreed constraints by setting off active trade positions using special algorithms and processes. They also manage trade positions by adjusting relevant parameters based on corporate and equity actions to ensure correct valuations and risk measures. They finally calculate and update cash flows in databases for complex securities and their associated derivative transactions.

## CORPORATE OVERVIEW

### Finance and Control

**FirstObject** monitors and analyzes price fluctuations of trade positions on a daily basis and highlight price anomalies to in their KPO end servicing to its clients.

#### **FirstObject offers deep industry expertise for:**

1. Automotive
2. Consumer Products, Retail and Distribution
3. Energy, Utilities and Chemicals
4. Financial Services
5. Healthcare
6. Life Sciences
7. Manufacturing
8. Public Sector
9. Telecom, Media Entertainment

#### **Equity Research Outsourcing At FirstObject:**

The equity research outsourcing, ERO as a part of KPO Services, Set up by the Company is catering to the requirements of FII's / FI's / Institutions and Mutual Funds.

Our equity research outsourcing (ERO) encompass activities related to data collection, aggregation, analysis, inference and reporting.

Our End Users of ERO's Out-Put, are the leading corporations of the world, these End-Users came to us through Reuters, Thomson Reuters, Capital IQ, Markets.com and Emerging Markets, A Euromoney Institutional Investor Company.

Our Galaxy of end users are classified as Financial Institutions & Banks, Leading MNC, Manufacturers, Management Institutions and Services Companies.

Some of them are mentioned below:-

Sony Ericsson, Shell, Boeing, Digital, Siemens Harvard Business School, Bain & Company, Dow Jones, Ernst & Young, BCG, Chase, TDA Copal Partners, Unilever, Argent Ventures, Wharton Business School, Credit Suisse, IBM, ABN AMRO, Stanford University, Instead Business School, Intel, TDA Investment Group, Morgan Stanley, GE Capital, Nomura, Mobil, FedEx, Merrill Lynch.

The ERO is equipped to do the trend tracking of World Markets, Indian Markets, Sectoral Analysis, Fundamental and Technical Analysis in all the active sectors of the markets. The technical know-how for the operations is supported by Mumbai based Leading Equity Research Firm M/s. Firstcall India Equity Advisors.

The companies operational capacity went through re-building process as the facility got affected with a fire accident which took place in month of May 2009. With the recommencement of its facility the operations of the Company, which hitherto were taking place from alternative rented premises for the smooth continuation of the work, in the interim, got shifted to the 120 seater (24\*7) premises in phase wise manner. The Company has shown strong determination in re-building its operational facility.

#### **FirstObject comes as an advantage for the firms looking for outsourcing as:-**

- \* **FirstObject** offers cost effective framework for the firms.
- \* **FirstObject** helps the firms to focus on their core business.
- \* **FirstObject** changes equation of Operating leverage for the firms i.e., changes the balance of the ratio by offering a move from fixed to variable cost and also by making variable costs more predictable.
- \* **FirstObject** helps to achieve a step change in quality through contracting out the service with a new service level agreement.
- \* **FirstObject** offers Access to intellectual property and wider experience and knowledge.
- \* **FirstObject** offers Access to operational best practice that would be too difficult or time consuming to develop in-house.

## CORPORATE OVERVIEW

- \* **FirstObject** offers Access to a larger talent pool and a sustainable source of skills, in particular in science and engineering.
- \* **FirstObject** acts as a catalyst for major step change that can not be achieved by any one Firm alone.
- \* **For the Companies** increasingly looking for external knowledge service providers to supplement limited in-house capacity for product innovation. FirstObject acts as one stop shop.
- \* **FirstObject** accelerates development or production capacities for its Clients.

### Innovating and evolving our portfolio to benefit our clients

To keep our services fresh and relevant to the needs of our clients, **FirstObject Technologies Ltd** has developed a strong Global Channels & Partners program to identify ways of generating more value through our partners by focusing on emerging trends and technologies and successfully implementing them in rapid time. Our Global Channels & Partners program is one of the most powerful channels we have created for sustained value services to our clients, our partners and business. The net results are faster, better solutions tailored to the needs of modern enterprises with complex IT needs.

### The FirstObject Technologies Ltd - Partner Ecosystem

Our ecosystem approach is designed to nurture long-standing relationships with strategic partners and develop new alliances with companies who are pushing the bounds of technology. With alliance partners large and small, strategic and transactional, FirstObject Technologies Ltd. can bring all the moving parts together into a valuable, seamless solution for our clients.

### Technology At FirstObject

**FirstObject** believes in providing ‘**State of The Art**’ Technology platforms in order to be in tandem with Highly Productive Knowledge Processing and Intelligence based requirements.

Indeed, Change is constant within the Technology. This allows FirstObject to be abreast of technology requirements and deploy the ‘**World Class Practices**’ at all times. At the end we serve on 24 x 7 x 365 basis.

Our associate data centres in Canada, United States of America and in India are equipped and invested with high end equipment from Global Technology partners which allow us to meet ‘**Strategic functional requirements of our business in a Secure Manner**’

Careful planning and execution of Business Continuity Planning has rendered our business process to operate at high levels of factors of safety. This enables us to cater to ‘**Uninterrupted Knowledge Processing and Connectivity requirements**’ from any of our globally located data centres, should any particular centre be non-functional due to equipment malfunctions.

Our associate, Object Experts Inc, have designed, developed and implemented high end customized solutions. These solutions not only allow an ‘**Integrated Management Solutions**’ for **Balanced Business Control**’, but also allow us constant ‘**People Development and Management**’ so that our associates perform in a synchronous manner for highly productive business symphony.

### R&D At FirstObject

Research and Development is creative work undertaken on a systematic basis in order to improve our knowledge base, including knowledge of manpower, culture and society, and the use of this stock of knowledge to devise new applications, Research and Development is of great importance in business as the level of competition, production processes and methods are rapidly increasing.

At **FirstObject** we manage research and development activities with “**more creativity, higher profit or a greater market share.**” We are 100 percent committed to research and innovation. We are constantly searching for new and economical ways to improve our organization and protect our businesses, people, places and things. Our technology professionals and thought Leaders are dedicated to investigating obstacles and identifying secure solutions to client related problems. Our Research examines issues being faced by each individual industry so that you can always stay up to date, because we recognize that we don’t have all the answers, we also offer Analyst Reports to give you additional insight on current business and government issues.

We created the Center for Innovation to harness the knowledge and also we reach out to other global leaders and Extraordinary Minds to determine industry needs and define trends. Learning from these experienced individuals allows us to enhance our understanding of every project we manage, from every possible angle. At **FirstObject**, we are passionate about what we do. We at **FirstObject** keep pace with modern trends and analyze the needs, demands and desires of our customers.



## **CORPORATE OVERVIEW**

FirstObject has in its fold valuable I.P.R's ( Intellectual Property Rights) in software and software product technologies, whose value is innumerable.

### **FirstObject Mission Statement**

FirstObject wants to be a market leader in Integrated Offerings in Information Technology.

Our mission statement drives us to be competitive, innovative, responsive and efficient provider of quality services.

### **Key Management Team:**

#### **Board of Directors**

##### **Dr. Vivek Hebbar**

Chairman, Board of Directors is an MBBS and MD in Medicine and holds AIFH and DHA. One of the few medical professionals, who also holds an MBA.

He is well known cardiologist in Mumbai. He has 10 years of experience in the field of Critical Care and General Medicine. He has good reputation and Business Contacts. His presence on the Board is a value addition to the company commensurating the company's plans in Knowledge based Processing Services.

##### **N. Shiva**

Director, An Engineering Postgraduate, was the original founder of the Infotech business which is now known as 3I Infotech Limited (The erstwhile ICICI Infotech Limited).

Shiva is the originator of various leading software developments, which created a trend in the industry. Known as trendsetter in the industry, he has vast business contacts and business development skills apart from execution skills.

He leads the overseas business strategy for the company under strategic alliance through Object Experts Inc, USA.

##### **Mr. P. Ram Nath**

He has Done MBA and has fifteen years of Experience in Finance and Banking. Lead many financial closures for the expansion activities of businesses ranging from brick and mortar industry to information technology segment. A source of inspiration and provides guidance for the new business strategies of the Company.

##### **Mr. J.S.Suryanarayana**

Director, a Commerce Graduate with Diploma in Computers has more than 25 years of experience in international EXIM operations. Practical and Pro-Active, played a stellar role in the company from the brink of its financial problems to induction of strategic partners in the business revival of the company. Currently plays the role of a Mentor.

##### **Mr. P. Sailesh**

Director, a Science Graduate with MMM post graduate degree is a lead anchor and producer of various business shows on Door Darshan and Electronic Media. With his experience and expertise, he navigates the investor relations strategy of the Company.

##### **Mr.Sita Rama Sastry**

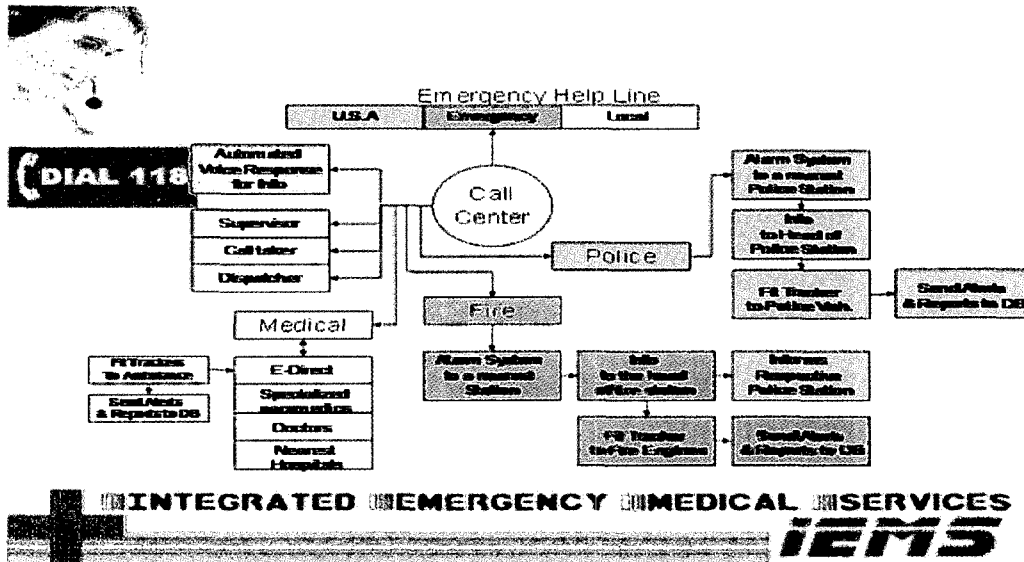
Director, with impeccable educational back ground, he holds M.Sc, PGDCA, M.B.A. A meticulous strategist in business planning and execution provides the guidance for business strategy and execution at FirstObject.

**CORPORATE OVERVIEW**

**CORPORATE OVERVIEW - Alliances**

FirstObject Technologies Limited has minority stake in Octant Interactive Technologies Limited. Whose, interactive technology based emergency medical care IPR's are awaiting the commercial launch on a grand scale and the company is poised for bidding High Value Contracts for these specialized services.

**Investments In Medical Emergency Services Model**



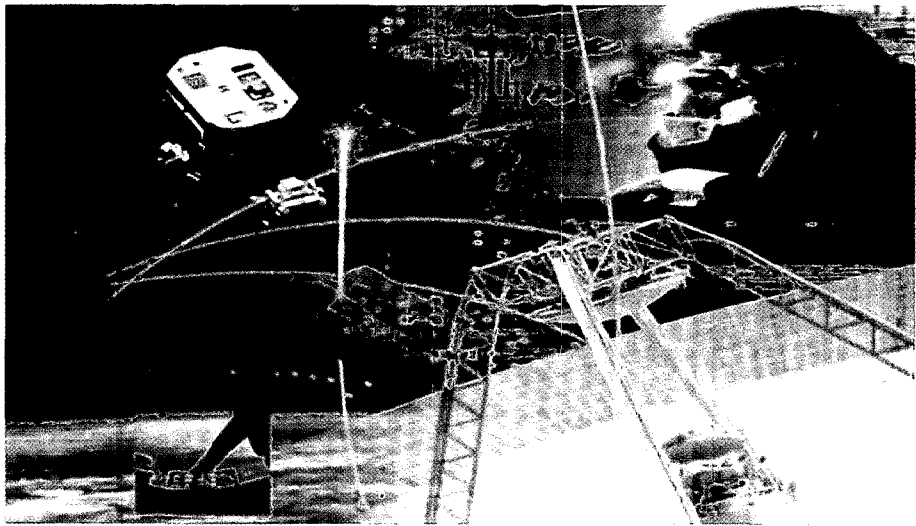
**Overview Of Business Of Firstobject's Subsidiary, Tractel Solutions Inc:-**

A Telecommunications Service Provider or TSP is a type of Communications Service Provider that has traditionally provided telephone and similar services. This category includes ILECs, CLECs, and mobile wireless companies.

While some people use the terms Telecom Service Provider and Communications Service Provider interchangeably, the term TSP generally exclude ISPs, cable companies, satellite TV, and managed service providers.

TSPs provide access to telephone and related communications services. In the past, most TSP's were government owned and operated. in most countries, due to the nature of capital expenditure involved in it. But today there are many private players in most regions of the world, and even most of the government owned companies have been privatized.

The Deregulation or Privatization of Telecom Service providers first happened in the United States with the break up of the Bell System.



**CORPORATE OVERVIEW**

Privatization of Telecom Services has opened up opportunities for 'on-site' consulting. Tractel Solutions Inc, a niche segment company provides 'on-site' project consulting and management services.

**Strategic alliance with Object Xperts Inc, USA:**

**Object Xperts Inc.** a corporation organized under the laws of the State of New Jersey and having its principal place of business located at New Jersey, was established in 1995 by seasoned IT Professionals.

The primary Business is IT Services & IT Consulting, Project Development and IT Resources Management. Object Xperts Inc, specializes in the Financial Services industry. Some of the clients to whom **Object Xperts Inc** has served include "Dow Jones, Merrill Lynch, Home Insurance Company and Pfizer".

The Company under a strategic alliance intends to pursue off-shore activities and also collaborate with the Company for on-site project jobs. The nature of strategic alliance involves the presence of an off-shore and to market for projects in the BPO and KPO areas.

Besides the strategic alliance, **FirstObject** will synergise the on-site strengths of Object Xperts Inc with the Indian Resource Base that **FirstObject** is developing as a part of its mission in developing Integrated Information Technology Offerings.

**Our Other Alliance Partners**

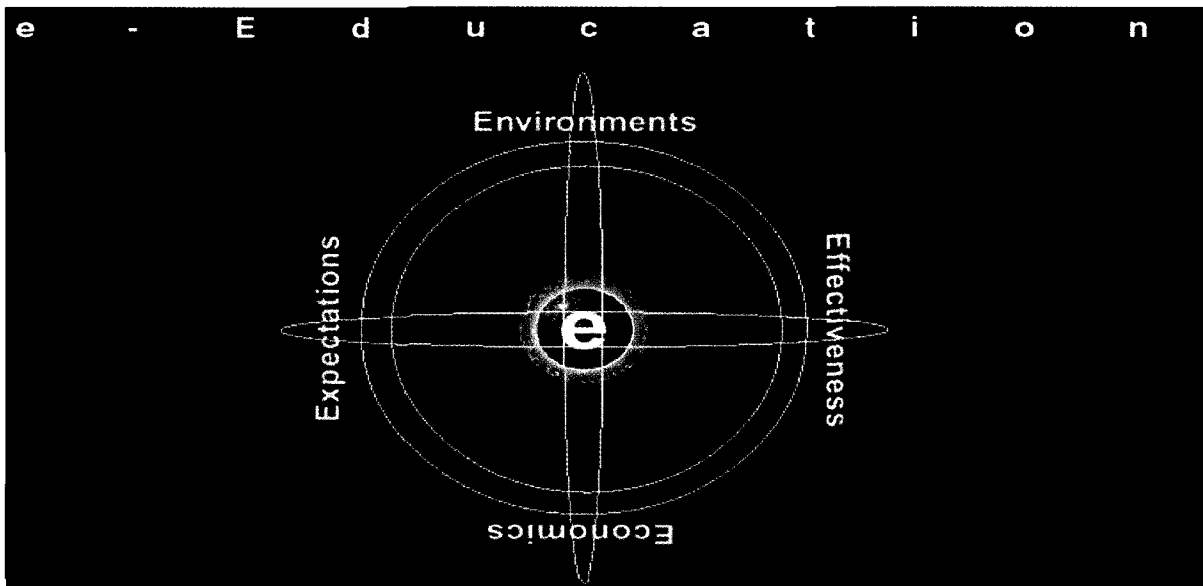
Our industry is maturing and reorganizing to face a more competitive environment. In parallel with organic growth and selected acquisitions the companies need to rely on a strong alliance partner program to target growth. It is in that spirit of targeting growth that **FirstObject** has built its Alliance Program which identifies ways of generating more value through our partners.

**Developments At Firstobject Technologies Limited During The Year 2008-09:**

**FirstObject** Technologies foray into E-Education (or electronic learning or eLearning) encompasses providing e- education for school students. Apart from providing proper course works and tutorials for school students, our E-learning programs would conduct mock tests for various competitive examinations like engineering, medical, management etc.,.

Success in exams is the result of knowledge, speed and the ability to write precise and yet correct answers. Our E-learning Online Program systematically builds strengths in these three areas. Offering one-stop total preparation, it brings together the power of the internet and inputs of some of the best academic brains in the country.

The power of E - learning now comes to the door steps with its uniquely designed course for all types of Exams. This new and empowered advantage programme for all exams has several extremely useful features which are going to be designed by the board of experts to help the young students learn in a more effective and efficient manner. The board of experts for these academic programmes would be constituted from a panel of some of the most eminent professors, scientists, academics and teachers in our country working at very prestigious educational institutions. They are highly experienced and distinguished in their respective fields and understand the needs of a student. They have the methodology, based on their vast experience, to fulfill these needs.



## CORPORATE OVERVIEW

E-learning or electronic learning in India is gaining prominence slowly, but indeed steadily. This is due to the fact that more than half the population of India today is below 25 years of age and the number of Internet users are growing continuously. The tremendous growth of the economy in the recent past has also helped in the growth of online education in India. **E-learning in India is specially** popular with the young professionals who have joined the work force quite early but still would like to continue their education that may help them move up their career ladder quickly and safely.

E-Learning can provide major benefits for the organizations and individuals involved. A 12-year meta-analysis of research by the U.S. Department of Education found that higher education students in online learning generally performed better than those in face-to-face courses.

**Increased access:** Instructors of the highest calibre can share their knowledge across borders, allowing students to attend courses across physical, political, and economic boundaries. Recognized experts have the opportunity of making information available internationally, to anyone interested at minimum costs. Convenience and flexibility to learners: in many contexts, eLearning is self-paced and the learning sessions will be made available 24x7 through a dedicated BPO. Learners are not bound to a specific day/time to physically attend classes. They can also pause learning sessions at their convenience.

To develop the skills and competencies needed in the 21st century, and in particular to ensure that learners have the digital literacy skills required in their discipline, profession or career. A major argument for e-learning is that it enables learners to develop essential skills for knowledge-based workers by embedding the use of information and communications technologies within the curriculum.

Thus e-learning in India makes it possible for the learners to pursue their education from reputed institutes without much hassle.

### Progress of E-learning Module At FirstObject:

#### 1. Building Solid Foundation in Theory:

Extensive and easy to understand theory helps the students grasp concepts thoroughly, also making memorising redundant. The theory on each chapter comprises Objectives, Prerequisites, PreTest, Introduction, Topic explanation and Recap.

#### 2. Accumulating Extra Inputs That Keep Students Ready For 'Surprise' Questions:

- Activities that illustrate application of the concepts thus reinforcing them.
- Explanation of key terms, phrases and words.
- Quick clarification of doubts from subject experts through email.

#### 3. Strengthening theoretical and conceptual base:

Exhaustive practice on board type questions. On each chapter students will get practice exercises (basic, standard and advanced level questions), an online self assessment tool and objective tests.

#### 4. Creating Exam Writing And Problem Solving Skills:

- For every question students get elegant solutions to help you write 'ideal' answers - stepwise and point wise using the right language and neat diagrams... just the way the board expects you to.
- Configure your own paper for added practice.
- Unique Performance Tracker to review your performance in tests.

#### 5. Improvisation Tools For Test Taking Skills And Temperament:

- Simulated tests with ideal solutions.

The proposed E -Learning program to be set up by Firstobject would become India's first and most comprehensive education with the single minded objective of empowering the student through knowledge and insight. This sharp focus has given birth to a unique methodology being developed by our board of experts - renowned and respected academic luminaries drawn from the best of institutions/universities all over the country.

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Ninth Annual General Meeting of the members of the FirstObject Technologies Limited will be held on Saturday the 28th November 2009 at 10.30 A.M at The Seminar Hall, Hotel Savera Residency, Besides Big Bazaar Shopping Mall, Ameerpet Main Road, Hyderabad-500 016.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009 and Profit and Loss Account for the period ended on that date and the report of the Auditors and Directors thereon.
2. To consider and if thought fit. To pass with or without modifications the following resolution as an ordinary Resolutions:  
 "Resolved That J. & K. Agarwal & Co. Chartered Accountants. Mumbai be and hereby appointed as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meetings."

### SPECIAL BUSINESS

3. To consider and thought fit to pass with or without modifications, the following resolution as a Special resolution :  
**"RESOLVED THAT** in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any of the Companies Act, 1956 [including any statutory modification(s) or re-enactment thereof for the time being in force] and relevant provisions of the Memorandum and Articles of Association of the Company, the Foreign Exchange Management Act, 1999 and the Issue of Foreign Currency Convertible Bonds, Global Depository Receipts and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Guidelines prescribed by the Securities and Exchange Board of India (SEBI) and subject to such approval(s), consent(s), permission(s) and/or sanction of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such terms, conditions, modifications and alterations as may be prescribed and specified by any of them in granting such approval, consent, permission or sanction, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to offer, issue and allot, in the course of offerings, in domestic and/or one or more foreign markets, any Securities including Equity Shares, Global Depository Receipts and/or American Depository Receipts, Foreign Currency Convertible Bonds, Convertible Bonds, Euro-convertible Bonds/Shares/Debentures, Preference Shares whether Cumulative/ Redeemable/ Partly convertible/ convertible at the option of the company and / or at the option of the holders of the Security(s), Securities partly or fully convertible into Equity shares and/or securities linked to Equity Shares and/or any instruments or securities with or without detachable warrants, secured or unsecured or such other types of securities representing either Equity Shares or Convertible Securities (hereinafter referred to as "Securities") to Companies in the process of acquiring companies, either by way of swap of equity shares or by way of cash payments, or a mix of both swap and cash, to Foreign/Domestic Investors, Non-residents, Foreign Institutional Investors/ Foreign Companies/ NRI(s) / Foreign National(s)/Banks/Mutual Funds/Financial Institutions or such other entities or persons as may be decided by the Board, whether or not such persons/entities/investors are Members of the Company, through Prospectus, Offering Letter, Circular to the general public and/or through any other mode or on private placement basis as the case may be from time to time in one or more tranches as may be deemed appropriate by the Board on such terms and conditions as the Board may in its absolute discretion deem fit for an amount not exceeding US\$ 15 Million (US Dollar Fifteen Million only) or equivalent thereof, including green shoe option on such terms and conditions, as the Board may in its sole discretion decide including pricing, the form and the persons to whom such securities may be issued and all other terms and conditions and matters connected therewith.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above the aforesaid issue of the Securities may have all or any term or combination of terms in accordance with normal practice including but not limited to conditions in relation to payment of interest, dividend, premium or redemption or early redemption at the option of the company and/ or of the holder(s) of the securities and other debt service payment whatsoever and all such terms as are provided in offerings of this nature including terms for Issue of additional Equity Shares, Variation of interest payment, Variation of the price or the period of conversion of securities into Equity Shares, Issue of Equity Shares on swap basis for the acquisition of company / companies whether wholly or partly in whatever manner what so ever equation the said acquisition may be worked out whether partly / fully transacted by way of swap of shares and / or cash payable or , Issue of Equity Shares during the duration of the securities or terms pertaining to voting rights or option for early redemption of securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of underlying Equity Shares as may be required to be issued and allotted upon conversion of any such securities referred to above or as may be in accordance with the terms of the offering(s) and that the said Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects pari passu with the existing Equity Shares of the Company.

## NOTICE TO THE SHAREHOLDERS

**RESOLVED FURTHER THAT** such of these securities to be issued as are not subscribed may be disposed of by the Board to such person(s)/entity (ies) in such manner and on such terms as the Board in its absolute discretion thinks fit, in the best interest of the Company and as is permissible in law.

**RESOLVED FURTHER THAT** the Company may enter into any arrangement with any agency or body for issue of Depository Receipts representing underlying equity Shares/ Preference Shares/ GDR's and other securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent.

**RESOLVED FURTHER THAT** the securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the securities in the international market and may be governed by applicable foreign laws.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorised to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in such tranche, issue price, face value, premium amount on issue/conversion of Securities, Exercise of Warrants/redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges as the Board in its absolute discretion deems fit and to make and accept any modification in the proposal as may be required by the authorities involved in such issues and on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, the Appointment of Registrar, Book-Runner, Lead-Managers, Trustees/Agents, Bankers, Global co-ordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies/intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of securities, and also to seek listing of the securities or securities representing the same in any Indian and/or in one or more international stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of securities and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors or Company Secretary/Compliance Officer or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

**RESOLVED FURTHER THAT** the capital reduction exercise, which was initiated by the company, be withdrawn and take up the same subsequently in 2009-10 with fresh approvals from the appropriate authorities including BSE.

Hither to, to reflect the improved fundamentals of the company, company has initiated the capital reduction exercise for which the company has already obtained BSE approval for taking up the matter to Hon'ble High Court of Andhra Pradesh, Hyderabad. However the prevailing capital market conditions in 2008-09 and global sentiment about Information Technology Industry lead to market price fall of the company. Many shareholders represented the company asking for deferment of capital reduction exercise with a view that even such exercise given the then market conditions may not bring the true fundamental value of the company to forefront. Based on the representations, it is decided to withdraw from the said capital reduction exercise and pursue the same at a later date once the consolidation of the company's operations takes place.

**RESOLVED FURTHER THAT**, the equity shares of the company of Rs.1/- face value be consolidated to Rs.10/-face value by converting 10 (Ten) equity shares of Rs.1/-face value each to 1 (One) equity share of Rs.10/-face value.

4. To consider and if thought fit. To pass with or without modifications the following resolution as a Special Resolution:

"Resolved that Mr. Sita Ram Sastry who was appointed as an Additional Director of the Company and who by virtue of Sec.260 of the Companies Act,1956 read with Article 96 of the Companies Articles of Association. Ceased to hold office at this Annual General Meeting and in respect of whom the company has received from a shareholder proposing his candidature for the office of the Director under section 257 of the said Act, be and is hereby appointed as a Director of the Company liable to retire by rotation.

## NOTICE TO THE SHAREHOLDERS

Resolved to thank the services of Mr. S. Venkatraman, who worked with the company in the capacity of Director and expressed his inability to continue due to their pre-occupation and whose resignation was approved in the Board Meeting held on 6th November 2009.

Further resolved to accept the retirement request of Mr.L.V.Ramnarayan, who worked in the company in the capacity of the Director and expressed his intention to retire as the Director upon the conclusion of this AGM (date: 28-11-2009). He intends to retire as director by tendering his resignation by expressing his inability to continue due to his pre-occupation. His resignation will come into effect with the acceptance of the same by AGM and the management of the company wishes to thank him for his valuable services in Company's restructuring phase.

For and on behalf of Board of Directors

Sd/-

**Dr.Vivek Hebbar**  
 Chairman, Board of Directors

### Regd Office:

1st Floor, Swayamkrishi,  
 SMILINE Building, No: 8-3-952/10/2 & 2/1  
 Srinagar Colony,  
 Hyderabad-500 073

Place: Hyderabad.

Date: 6.11.2009

### NOTES

1. A member entitled to attend and to vote is entitled to appoint a proxy to attend and vote instead of him, her and proxy need not be a member of the Company. The Proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting.
2. The register of members and share transfer Books of the company shall remain closed on 27th November 2009 to 28th November 2009(Inclusive).
3. Members are requested to bring copies of the Annual Report as no extra copies shall be provided at the meeting, Shareholders desiring any information as regards to the Audited Accounts to write to the Company at least one week before the meeting enabling the chairman to keep the information ready to reply at the meeting.
4. Members are requested to notify immediately change of address if any. To the company or to M/s Bigshare Services (P) Ltd. E/2 Ansa Industrial Estate. Sakivihar Road. Sakinaka Andheri East Mumbai - 400072 Registrars and Share Transfer Agents or their Depository office.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is attached hereto.
6. Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.

## NOTICE TO THE SHAREHOLDERS

### Annexure to Notice

Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting.

(In pursuance of Clause 49 (vi) (A) of the Listing agreement.)

#### Director Seeking re-appointment

<b>Name of the Director.</b>	<b>Sita Rama Sastry</b>
Date of Birth.	31.03.1969
Date of Appointment.	15.10.2009
Expertise in any specific functional Area.	Finance
Qualification	M.B.A, M.Sc, PGDCA
Directorships held in other companies.(excluding foreign-Companies.)	Nil
Committee position held in other Companies.	Nil

### EXPLANATORY STATEMENTS PURSUANT TO SEC 173(2) OF THE COMPANIES ACT 1956.

#### Item no. 3

To implement the growth plan of the Company, a rational fund raising program is being designed along with the augmenting the present and future working capital facilities of the company, future acquisition that the company has and is envisaging in the near future which might be by way of swap of shares or by way of cash payment or a mix of both the swap and / or cash payment, The fund raising would be through a mix of debt / equity related instruments, as may be appropriate, which would be worked out in consultation with Advisors, Lead Managers and other intermediate agencies. The fund raising program is subject to approval of Government of India, Reserve Bank of India, Securities and Exchange Board of India and other authorities wherever applicable. It is proposed to issue appropriate securities for an amount not exceeding the equivalent of US\$ 15 million in one or more tranches in such form and on such terms and conditions and in such manner, at such price or prices and at such time as may be considered appropriate by the Board of Directors to the various categories of investors in the domestic/ international markets as set out in the Resolution.

Section 81(1A) requires that approval of members of the Company by way of a special resolution is required for further issue of equity shares or any instrument being a potential equity share. Accordingly, item no. 2 deals with the requisite approval under Section 81(1A) of the Companies Act, 1956.

Your Directors recommend the proposed resolution in item no.3 to be passed as Special Resolution. None of the directors is interested or concerned in the said resolution.

#### Item no. 4

Mr. Sita Rama Sastry was appointed as additional Director on Dt. 15.10.2009. He has Done MBA and has 12 years of Experience in Investment Banking and Finance. The Board of Directors have appointed him as a Director with a view to utilize his Valuable Experience and contacts. Members are requested to treat the same as abstract of the terms of appointment under section 302 of the companies Act. 1956. The Board recommends passing of the proposed resolution.

None of the directors of the Company except Mr. Sita Rama Sastry is any way concerned or interested in this resolution.

Mr. S.Venkataraman has resigned from the Board due to pre-occupation. The board wishes to thank for his co-operation and for his contributions during the growth phase of the Company. Similarly Mr.L.V.Ramnarayan has expressed his intention to retire upon the conclusion of this AGM and the board wishes to thank him for his contributions.

For and on behalf of Board of Directors

Sd/-

**Dr.Vivek Hebbar**

Chairman, Board of Directors

#### Regd Office:

1st Floor, Swayamkrishi,  
SMILINE Building, No: 8-3-952/10/2 & 2/1  
Srinagar Colony, Hyderabad-500 073

Place: Hyderabad

Date: 6.11.2009



## DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in submitting the 9th Balance Sheet and Profit & Loss a/c of your Company together with the auditors report thereon.

### a) REVIEW OF OPERATIONS

The working results of the Company for the year are furnished as Follows:

S.No.	Particulars	Year ended 31.03.09	Year ended 31.03.08
01	SALES	178,905,924	96,211,250
02	TOTAL EXPENDITURE	147,564,825	89,315,427
03	PROFIT/LOSS BEFORE INTEREST		
04	DEPRECIATION AND TAXES	31,341,099	6,895,823
05	DEPRECIATION	17,299,326	2,232,966
06	PROFIT BEFORE TAXES	14,041,773	4,662,857
07	PROVISION FOR TAXATION	26,000	25,000
08	NET PROFIT/(LOSS)	16,515,773	4,637,857
09	EQUITY SHARE CAPITAL	191492990	192345000

The working results of the Firstobject Technologies GROUP for the year are furnished as Follows:

S.No.	Particulars	Year ended 31.03.09
01	SALES	423,448,024
02	TOTAL EXPENDITURE	307,951,562
03	PROFIT/LOSS BEFORE INTEREST DEPRECIATION AND TAXES	115,496,462
04	DEPRECIATION	19,328,989
05	PROFIT BEFORE TAXES	96,167,473
06	PROVISION FOR TAXATION	26,000
07	NET PROFIT/(LOSS)	98,641,473
08	MINORITY INTEREST	40,241,593
09	PROFIT AFTER MINORITY INTEREST	58,399,880
10	EQUITY SHARE CAPITAL	191492990

### b) DIRECTORS:

In accordance with the Provision of companies Act. 1956 and Articles of Association of the Company, Mr. Sita Ram Sastry is appointed as Director of the company.

Mr.S.Venkataraman has resigned from the Board due to pre-occupation. Mr.L.V.Ramnarayan expressed his intention to retire upon the conclusion of this AGM. The board wishes to thank for their co-operation and for their contributions during the growth phase of the Company.

### c) AUDITORS

M/s J. & K.Agarwal & Co. Chartered Accountants. Mumbai appointed as Statutory Auditors of the company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s Sumeet & Murali, K.S.M.Krishna, Chartered Accountants, Bangalore appointed as Internal and Taxation Auditors of the company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

## DIRECTORS REPORT

### d) EMPLOYEES

During the year under review none of the employees of your company were in receipt of remuneration in excess of the limits prescribed for disclosure as per section 217(2A) of the Companies Act, 1956 read with the companies (Particular of Employees) Rules, 1975 as amended from time to time.

Information on conservation of Energy, Technology absorption and Foreign Exchange earnings/out goings as per section 217(1) (e) of the companies act, 1956:

Your company has no activities relating to the conservation of energy and technology absorption. Your company has received foreign exchange during the year under review.

### CORPORATE GOVERNANCE:

Your company has complied with the provision of Clause 49 of the Listing Agreement relating to Corporate Governance and believes that the initiatives on corporate governance will assist the management in the efficient conduct of the business and in meeting its obligation to all its stakeholders.

### DIRECTORS RESPONSIBILITY STATEMENT:

As required under the companies Act, 1956 your Director wish to state:

That in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures.

That they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the period under review.

That they 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, and

That they have prepared the accounts for the period ended 31st March 2009 on a going concern basis.

### ACKNOWLEDGEMENTS:

Your directors express sincere thanks to the Bankers of the company for their support and encouragement.

Your directors also wish to thank all the employees for their unstinted co-operation in achieving the good performance of your company.

For and on Behalf of the Board of Directors

Sd/-

**Dr.Vivek Hebbar**  
Chairman, Board of Directors

### Regd Office:

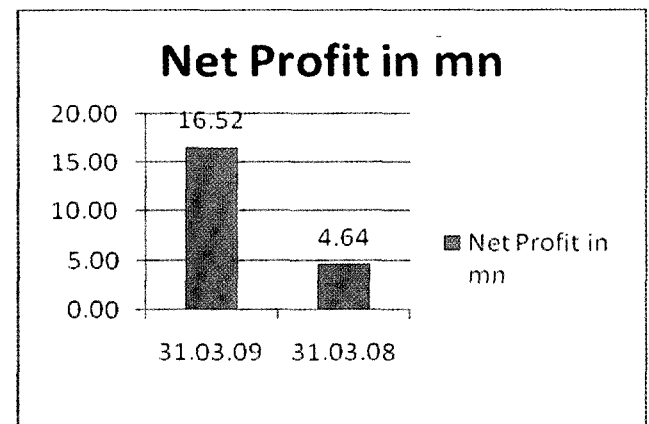
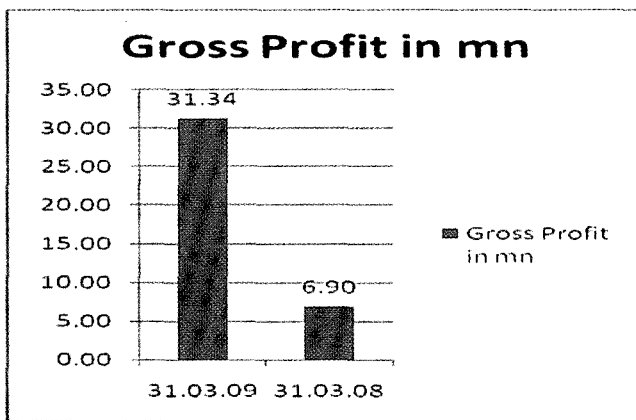
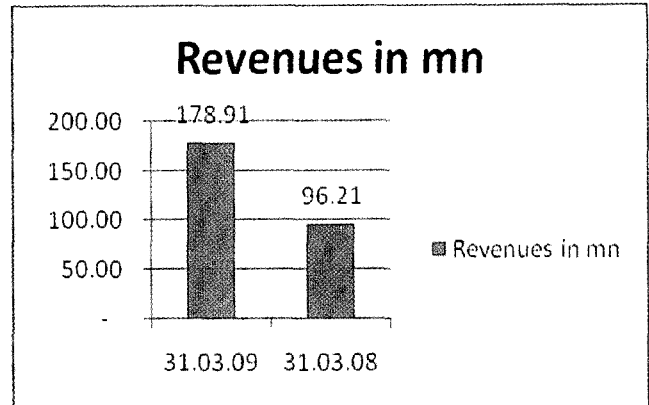
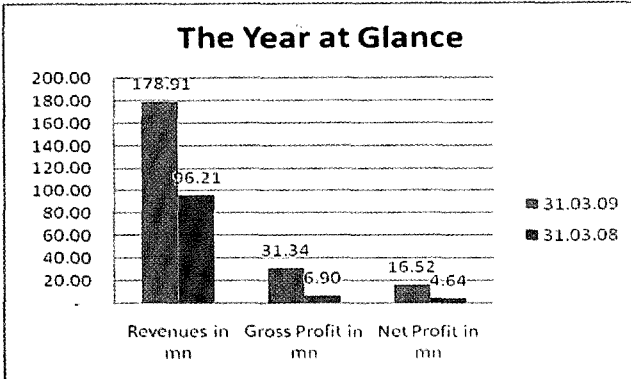
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SMILINE Building, No: 8-3-952/10/2 & 2/1  
Srinagar Colony,  
Hyderabad-500 073

Place: Hyderabad

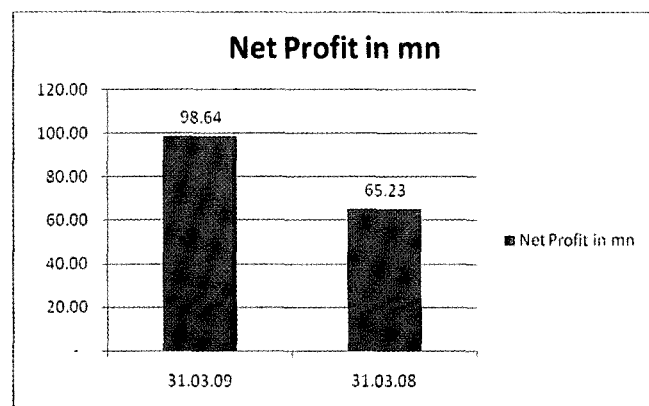
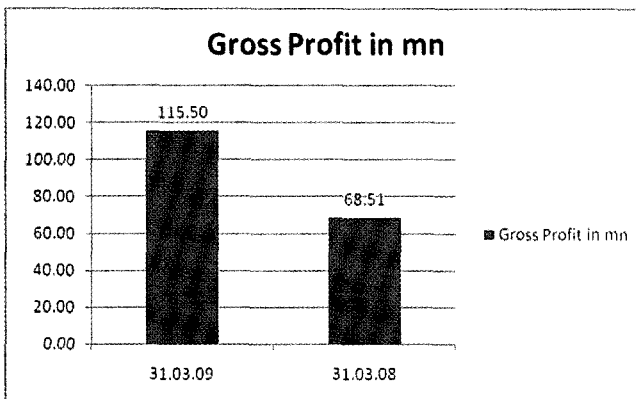
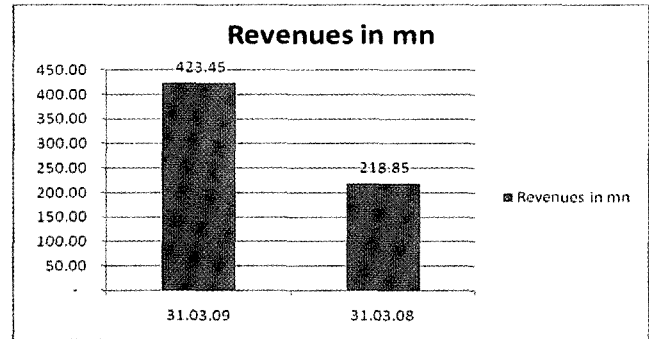
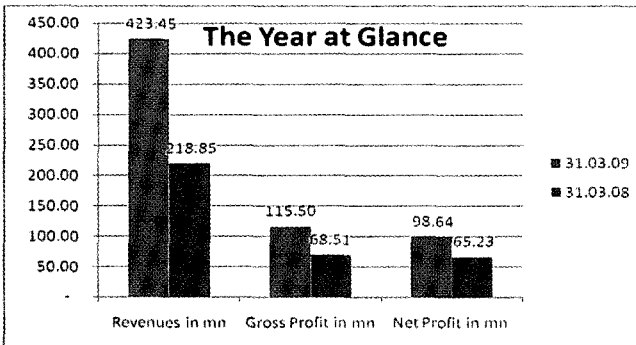
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**PERFORMANCE AT GLANCE**

**STANDALONE**



**CONSOLIDATED**



## MANAGEMENT DISCUSSION ON RISKS AND CONCERNS

### Management Discussion on Risks and Concerns

Any Company along with its subsidiaries needs to ensure that it has a proper continuous risk identification and management process. This process will generally involve the following steps:

- \* Identifying, ranking and sourcing risks inherent in the our Company's strategy (including its overall goals and appetite for risk);
- \* Selecting the appropriate risk management approaches and transferring or avoiding those risks that the business is not competent or willing to manage;
- \* Implementing controls to manage the remaining risks;
- \* Monitoring the effectiveness of risk management approaches and controls;
- \* Learning from experience and making improvements.

Management has identified certain areas of risk where the Group is vulnerable, listing them below along with actions to deal with the same and thereby mitigate, if not eliminate such risks. Management strives to ensure a policy of strong corporate ethics driven by correct organisation culture rather than by legal requirements.

Thus, healthy internal systems and practices are based on best practices rather than on legal compliance.

#### Economic risks

Trade, monetary and fiscal policies and economic conditions could substantially change. As the Group's business has grown, the Group has become susceptible to changes in general economic conditions, which could result in reductions in capital expenditure by end-user customers, longer sales cycles, deferral or delay of purchase commitments for the Group's services, and increased price competition. Although these factors have not materially impacted the Group in recent years, this would be the case if the current economic slowdown continues or worsens thus adversely affecting the Group's business and operations.

#### Political risks

The political establishment in India is sufficiently fragile to warrant this risk in terms of policies and restrictions that could be imposed. India's relationship with its neighbours has been and continues to be a cause of concern although there are reasons to believe that these relationships are gradually improving. The software development business is split between offshore and onsite. The Group's Indian operations have enjoyed several tax concessions provided by the laws in India. Should the Indian authorities amend taxation statutes again this could adversely affect the Group's financial results.

#### Insider Trading

The risk of insider trading and its consequences has become a matter of concern for any organisation. To mitigate this risk detailed insider trading guidelines are in place and these are rigorously implemented and monitored.

Management of risks to the business is a continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risk and industry segment risk and economic risks are well understood and the means to handle them are also established.

To counter all these risks your company conducting its risk identification. Assessment and management activities through a dedicated risk and audit department. Headed by Mr. J.S.Suryanarayana. Director, this department has been set up by your company expressly to anticipate the impact of potential risk factors to the business and provide guidance on how to handle them so as to minimize their business impact.

Adequate management control is in place to ensure quick action on early warnings, and to proactively monitor and mitigate all potential risks. A comprehensive Risk Management strategy developed by the risk and audit department forms the frame work for all de-risking and risk mitigation activities undertaken by your company with the fullest involvement of top management professionals.

#### Discussion of Financial Performance

The financial statement are prepared in compliance with the requirements of the companies Act, the Accounting Standards prescribed by the Institute of Chartered Accountants of India and generally Accepted Accounting Principles in India.

## **MANAGEMENT DISCUSSION ON RISKS AND CONCERNS**

### **Human Resources**

A major strength for your company has been its employees and your company's relationship with its employees continues to be excellent. To keep the employee excellence at high altitudes, your company continues to maintain its commitment towards training to its employees at all levels.

### **Cautionary Forward Looking Statements**

The company has made forward looking statements in his document that are subject to Risks and un-certainties Forward looking statements may be identified by their use of like "Expects", "Believes", "Estimates" or similar expression. All statements that address expectations or projections about the future, including but not limited to statements about the companies strategy for growth, product Development. Market position, market Expenditures, and Financial Results are forward looking statements. For those statements the company cautions that numerous important factors could effect the companies actual results and could cause its results to differ materially from those expressed in any such forward looking statements.

For and on behalf of Board of Directors

Sd/-

**Dr.Vivek Hebbar**  
Chairman, Board of Directors

### **Regd Office:**

1st Floor, Swayamkrishi,  
SMILINE Building, No: 8-3-952/10/2 & 2/1  
Srinagar Colony,  
Hyderabad-500 073

Place: Hyderabad

Date: 6.11.2009

## CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Governance

Firstobject Technologies Limited (Firstobject) philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its Shareholders, Employees, and the Government. Firstobject believes that all its operations and actions must serve the underlying goal of enhancing overall Shareholder value, over a sustained period of time.

### 2. Board of Directors

The Board of Directors consists of 7 Directors.

**Composition and category of Directors is as follows:**

Category	Name of the Directors
Chairman	Dr. Vivek Hebbar
Whole Time Director	J Satya Surya Narayana
Whole Time Director **	P Ganesh Babu
Non-Executive Independent Director **	Mubarak Ali
Non-Executive Independent Director	P Ramnath
Non-Executive and Independent Director***	L.V. Ramnarayan
Non-Executive and Independent Director **	Dr. Carol.D
Non-Executive and Independent Director ***	S.Venkatraman
Non-Executive and Independent Director	P.Sailesh
Non-Executive and Independent Director	N. Shiva
Non-Executive and Independent Director *	Sita Rama Sastry

\* Appointed as director W.E.F. 15.10.2009

\*\* Mr.P.Ganesh Babu, Mr. Mubarak Ali and Dr. D.Carol, worked with the company in the capacity of Directors and expressed their inability to continue due to their pre-occupation and their resignations were approved in the Board Meeting held on 11th June 2008. The same was informed through previous AGM also.

\*\*\* Mr. S.Venkatraman, worked with the company in the capacity of Director and expressed his inability to continue due to his pre-occupation and his resignation was approved in the Board Meeting held on 6th November 2009. Mr.L.V.Ramnarayan expressed his intention to retire upon the conclusion of this AGM by resignation due to his pre-occupation.

During the year under review, the Board of Directors of the company met 25 times on 4/10/2008, 16/10/2008, 22/10/2008, 29/10/2008,15/11/2008,22/11/2008,26/11/2008, 16/12/2008, 20/12/2008, 09/01/2009,16/01/2009, 20/01/2009, 28/01/2009,30/01/2009, 18/03/2009,24/03/2009, 17/04/2009 ,22/04/2009 ,28/04/2009 ,11/05/2009 ,16/06/2009,30/07/2009,15/10/2009 and 29/10/2009,6/11/09 as against the minimum requirement of 4 meetings. The maximum time gap between any two meetings was not more than Four calendar months

The attendance of each director at the Board Meeting, last Annual General Meeting and Number of other directorship and Chairmanship/membership of Committee held by each of the director in other companies are as under

Name of the Director	Attendance Particulars		No. of other directorships and committee member/Chairmanship		
	Board Mtgs.	Last AGM	Other Directorship	Committee Member ship	Committee Chairman ship
Dr. Vivek Hebbar	25	Yes	No	2	1
Mr.J.Satya.Surya Narayana	20	Yes	No	1	1
Mr.P Ganesh Babu **	Nil	Nil	Nil	Nil	Nil
Mr . P Ramnath	22	Yes	No	1	Nil
Dr. Carol.D**	No	No	No	Nil	Nil
Mr. L.V. Ramnarayan ***	25	Yes	No	2	1
Mr. S.Venkatraman***	4	No	No	Nil	Nil
Mr. P.Sailesh	24	No	No	Nil	Nil
Mr.N.Shiva	10	No	No	Nil	Nil
Mr. Mubarak Ali **	Nil	Yes	No	Nil	Nil
Mr. Sita Rama Sastry*	Nil	Nil	No	Nil	Nil

Appointed as director W.E.F. 15.10.2009

\*\* Mr.P.Ganesh Babu, Mr. Mubarak Ali and Dr. D.Carol, worked with the company in the capacity of Directors and expressed their inability to continue due to their pre-occupation and their resignations were approved in the Board Meeting held on 11th June 2008.

\*\*\* Mr. S.Venkatraman, worked with the company in the capacity of Director and expressed his inability to continue due to his pre-occupation and his resignation was approved in the Board Meeting held on 6th November 2009. Mr.L.V.Ramnarayan expressed his intention to retire upon the conclusion of this AGM by tendering his resignation due to his pre-occupation.

## CORPORATE GOVERNANCE

### 3. Audit Committee

The Audit Committee of the company for the year 2008-09 has been constituted with Dr. Vivek Hebbar, Mr. J.S.S.Narayana and Mr. L.V.Ramanarayan as members of the committee.

The committee met 5 times. The constitution of Committee also meets with the requirements under Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are as contained in the Clause 49 of the Listing Agreement. Mr. Dr. Vivek Hebbar is the Chairman of this Committee.

For the year 2009-10, the Audit Committee of the company is reconstituted with Dr.Vivek Hebbar, Mr.J.S.S.Narayana and Mr.P.Ramnath.

### 4. Remuneration Committee

The Remuneration Committee of the company for the year 2008-09 had been reconstituted in the last year with Mr.J.Satya.Surya Narayana , Mr. P. Sailesh and Mr.P.Ramnath as members of the committee.

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Directors based on performance and defined criteria. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice. Mr.J.Satya.Surya Narayana ,to act as chairman of the committee.

For the year 2009-10, the remuneration committee is formed with Mr.J.Satya.Surya Narayana, Mr. P. Sailesh and Mr.P.Ramnath as members of the committee.

#### Details of remuneration paid to the Directors for the year.

The aggregate value of salary, perquisites, and commission paid for the year ended 31st March 2009, to Directors is as follows:

NIL

The Company pays no sitting fees to any Director.

### 5. Shareholders' / Investors' Grievance Committee

The Shareholder's / Investors Grievance Committee of the company has been constituted for the Year 2008-09 with Mr. L.V.Ramanarayan, Mr. Dr. Vivek Hebbar , Mr. J.S.S.Narayana as members of the committee.

Mr. L.V Ramanarayan is Chairman of the committee.

Mr. L.V.Ramnarayan is designated as Compliance Officer of the Company.

For the year 2009-10, the Shareholders' / Investors Grievance Committee is constituted with Dr.Vivek Hebbar, Mr.J.Satya.Surya Narayana and Mr. P. Sailesh as members of the committee.

### 6. General Body Meetings

a) Location and place of last four Annual General Meetings:

2004-05	At Regd Office	11-8-2005	3.00 p.m
2005-06	At Regd Office	12-9-2006	3.00 p.m
2006-07	At Regd Office	20.09.2007	3.00 p.m
2007-08	At Regd Office	27.09.2008	10.00 a.m

b) During the financial year , the company has not obtained any resolution by way of postal ballot in terms of Section 192A of the Companies Act, 1956.

### 7. Disclosures:

- There were no material transactions between the company and its Directors or management or their relatives that have any potential conflict with interests of the company at large. Transactions with related party are disclosed elsewhere in the Annual Report. None of the transactions have potential conflict with interest of the company at large.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter related to capital markets, during the last three years - None.

### 8. Means of communication

The company has promptly reported all information including declaration of Quarterly Financial Results to the Stock Exchange where the stocks of the company are listed. The company also publishes the Audited / unaudited financial results in Free Press Journal, English Newspaper and in Navshakti Marathi Newspaper.

## CORPORATE GOVERNANCE

### 9 General Shareholder Information

#### 9.1 Annual General Meeting

28/11/2009 at 10.30 A.M.  
 At Seminar Hall, Hotel Savera Residency,  
 Besides Big Bazaar Shopping Mall  
 Ameerpet Main Road  
 Hyderabad-500 016.

#### 9.2 Financial Calendar:

Annual General Meeting	28.11.2009
Result of First Quarter June 2008	Last week of July 2008
Second Quarter	Last week of Oct 2008
Third Quarter	Last week of Jan 2009
Result of fourth quarter	Last week of April 2009

#### 9.3 Book Closure date:

27/11/2009 - 28/11/2009

#### 9.4 Dividend payment date :

N.A

#### 9.5 (a) Listing of Equity Shares

The Bombay Stock Exchange Ltd ,Mumbai

#### 9.6 (a) Stock Code

Firstobject 532379

#### (b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares.

INE 683 BD 01021

#### 9.7 Stock Market Data at BSE

Month	High Price	Low Price	Close Price	No. of Shares
April 2008	3.69	2.34	3.10	6775978
May 2008	3.27	2.51	2.60	4504322
June 2008	2.87	2.07	2.07	3469755
July 2008	2.52	1.83	2.07	4552543
August 2008	2.37	1.98	2.04	3412351
September 2008	2.11	1.05	1.24	3952252
October 2008	1.26	0.65	0.88	7248662
November 2008	1.11	0.65	0.67	2727849
December 2008	1.00	0.45	0.74	6404758
January 2009	0.88	0.60	0.70	3068837
February 2009	0.73	0.58	0.61	1049934
March 2009	0.64	0.47	0.51	2924897

#### Registrar and Transfer Agents:

Bigshare Services Pvt Ltd

(Share transfer and communication regarding  
 share certificates, dividends and change of  
 address)

E-2, Ansal Industrial Estate,  
 Saki-Vihar Road, Sakinaka,  
 Andheri (E), Mumbai - 400 072

Share Transfer System as per listing agreement and Companies Act, 1956



## CORPORATE GOVERNANCE

### 9.8 Category of Shareholders as on 31st March 2009

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
<b>(1) Indian</b>							
Individuals / Hindu Undivided Family	2	1,355,000	1,349,000	0.71	0.71	NA	-
Bodies Corporate	2	24,825,712	24,775,712	12.96	12.96	NA	-
Sub Total	4	26,180,712	26,124,712	13.67	13.67	NA	-
<b>(2) Foreign</b>							
Total shareholding of Promoter and Promoter Group (A)	4	26,180,712	26,124,712	13.67	13.67	NA	-
<b>(B) Public Shareholding</b>							
<b>(1) Institutions</b>							
<b>(2) Non-Institutions</b>							
Bodies Corporate	370	17,597,013	17,597,013	9.19	9.19	-	-
Individuals	-	-	-	-	-	-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	20,856	76,086,656	75,595,856	39.73	39.73	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	134	69,238,155	68,386,155	36.16	36.16	-	-
Any Others (Specify)	52	2,390,454	2,390,454	1.25	1.25	-	-
Clearing Members	20	161,564	161,564	0.08	0.08	-	-
Non Resident Indians	32	2,228,890	2,228,890	1.16	1.16	-	-
Sub Total	21,412	165,312,278	163,969,478	86.33	86.33	-	-
Total Public shareholding (B)	21,412	165,312,278	163,969,478	86.33	86.33	-	-
Total (A)+(B)	21,416	191,492,990	190,094,190	100.00	100.00	NA	-
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>							
	-	-	-	-	-	-	-
Total (A)+(B)+(C)\	21,416	191,492,990	190,094,190	-	100.00	NA	-

### 9.9 Distribution of Share Holding as on 31.03.2009

Range	Total Holders	% Total Holders	Holding in Rs.	% Total Capital
Jan-00	18,380	85.82	28288336	14.77
5001-10000	1,545	7.21	12981702	6.78
10001-20000	663	3.10	10089482	5.27
20001-30000	287	1.34	7298285	3.81
30001-40000	85	0.40	3119387	1.63
40001-50000	118	0.55	5681195	2.97
50001-100000	167	0.78	13131248	6.86
100001-999999999	171	0.80	110903355	57.92
Total	21,416	100	191492990	100

**CORPORATE GOVERNANCE**

9.10 Dematerialisation of Shares Trading in Equity Shares of the Company is permitted only in dematerialised form. As of 31st March, 2009, 99.01% are in dematerialised form.

9.11 (i) Investor Correspondence

For transfer/ dematerialisation of shares :  
payment of dividend on shares, interest  
and redemption of debentures, and  
any other query relating to the shares  
and debentures of the Company.

Bigshare Services Pvt Ltd  
E-2, Ansal Industrial Estate,  
Saki-Vihar Road, Sakinaka,  
Andheri (E), Mumbai -400 072.

(ii) Any other query

FirstObject Technologies Ltd  
1st Floor, Swayamkrishi,  
SMILINE Building, No: 8-3-952/10/2 & 2/1  
Srinagar Colony,  
Hyderabad-500 073, India.  
E-Mail: info@firstobjectindia.com

For and on behalf of Board of Directors

Sd/-

**Dr. Vivek Hebbar**

Chairman, Board of Directors

**Regd Office:**

1st Floor, Swayamkrishi,  
SMILINE Building, No: 8-3-952/10/2 & 2/1  
Srinagar Colony,  
Hyderabad-500 073

Place: Hyderabad

Date: 6.11.2009

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

TO

The Board of Directors of

**M/s Firstobject Technologies Limited**

We have reviewed the implementation of the Corporate Governance procedure set by FirstObject Technologies Ltd ("the company") for the period ended 31st March 2009 with the relevant records and documents maintained by the Company and furnished to us for our review.

Based on our verification and information and explanation given to us. We certify that the company has complied with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchanges.

**For J&K. Agarwal & Co.**  
Chartered Accountants

Sd/-

**J.K. Agarwal**  
Partner  
M.No: 35554

Place: Mumbai

Date: 6.11.2009

## AUDITORS REPORT

To the members of the FirstObject Technologies Ltd,

We have audited the attached Balance Sheet of **M/s. FirstObject Technologies Ltd** as at 31st March, 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on the date, both annexed there to. 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 the auditing standards generally accepted in India. These 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 the 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 (Auditors Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) 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 in paragraph 3 above:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- iii. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956;
- v. On the basis of the written representations from the directors, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2009 from being appointed as a director under Section 274(1)(g) 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;
  - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - iii. in the case of the Cash Flow Statement of the Cash Flows of the Company for the year ended on the date.

**For J&K.Agarwal & Co.**  
Chartered Accountants

Sd/-

**J.K.Agarwal**  
Partner  
M.No: 35554

Place: Mumbai  
Date: 6-11-2009.

### ANNEXURE TO AUDITORS REPORT

The Annexure referred to in Auditors to the **M/s. FirstObject Technologies Ltd** for the year ended 31st March, 2009. We report that:

- 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1.2 The Company has phased programme of physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and nature of fixed assets. In accordance with the programme, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed during the year on such verification.
- 1.3 The Company has not disposed off any fixed assets of its own use, excepting the assets which has technical obsolescence, as such the assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- 2.0 In our opinion and according to the information and explanations given to us, the company has not granted/ taken any loan secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

## AUDITORS REPORT

- 3.0 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the above controls and therefore the reporting of the same does not arise.
- 4.0 In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act 1956.
- To the best of our knowledge and belief and according to the information and explanations given to us, transactions that need to be entered into the register have been so entered.
  - According to the information and explanations given to us, where each of such transactions in excess of Rs.5.lakhs in respect of any party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- 5.0 The Company has not accepted public deposits in accordance with the provisions of Section 58AA of the Companies Act, 1956.
- 6.0 In our Opinion, Company has an internal audit system, commensurate with the size of the Company and nature of its business.
- 7.0 The Central Government has not prescribed the maintenance of cost records under Section 209(1 )(d) of the Companies Act, 1956.
- 8.0
- According to the records of the company, provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Wealth tax, and Sales tax as applicable were regularly deposited during the year with the appropriate authorities.
  - According to the information and explanations given to us and the books and records examined by us. There are no dues towards sales tax income tax, customs duty, wealth tax, excise duty and cess which has not been deposited account of dispute.
- 9.0 The Company has accumulated losses at the end of the financial year and has not incurred cash losses during and immediately preceeding financial years.
10. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks.
- 11 According to the information and explanations given to us and based on our examinations of records, the company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
12. The Company is not a chit fund / niche / metal benefit fund or society.
13. Based on our examinations of records and the information and explanations given to us, the company does not deal/ trade in shares, securities, and other investments.
14. In our opinion and according to the information and explanations given to us, the company has not given guarantees.
15. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any term loans during the year.
16. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall examination of the balance sheet of the company, funds raised on short term basis,. Prima facie, have not been used during the year for long term investment and vice versa.
17. According to the information and explanation given to me, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.
18. Company has not issued any debentures during the year.
19. The Company has not made any public issue of shares during the year.
20. To the best our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.
21. In our opinion and according to the information and explanation given to us, the nature of the companies business/ activities during the year have been such that clause (ii) of paragraph 4 of the Companies (Auditors Report) order, 2003 are not applicable to the company.

**For J&K.Agarwal & Co.**  
 Chartered Accountants

Sd/-

**J.K.Agarwal**  
 Partner  
 M.No:35554

Place: Mumbai  
 Date: 6-11-2009.

**BALANCE SHEET AS ON 31ST MARCH, 2009**

Particulars	Sch no	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Sources of Funds</b>			
1. Shareholder's Funds	1	191,492,990	190,640,980
2. Reserves & surplus	2	75,912,671	15,060,661
3. Loan Funds	3		
Unsecured Loans		1,490,000	1,052,223
<b>TOTAL</b>		<b>268,895,661</b>	<b>206,753,864</b>
<b>Application of Funds</b>			
1. Fixed Assets			
Gross Block	4	124,615,370	101,651,441
Less: Accumulated Depreciation		80,773,601	63,474,275
Net block		43,841,769	38,177,166
Deferred Tax Asset		2,500,000	
2. Investments	5	159,033,225	99,033,225
3. Current Assets	6		
Receivables		22,198,981	15,287,000
Cash and Bank Balances		643,710	7,004,044
Loans and Advances		2,635,300	185,300
		25,477,991	22,476,344
4. Current Liabilities and Provisions	7		
Liabilities		1,530,000	9,022,320
Provisions		26,000	25,000
		1,556,000	9,047,320
Net Current Assets		23,921,991	13,429,024
5. Miscellaneous expenditure to the extent not written off or adjusted		39,598,676	56,114,449
6. Profit & Loss Account			
<b>TOTAL</b>		<b>268,895,661</b>	<b>206,753,864</b>
Significant Accounting Policies and Notes to Accountants	10		

As per our report of even date attached

For and on behalf of the Board

**For J& K Agarwal & Co**  
Chartered Accountants

Sd/-

**(J. K Agarwal)**  
Partner
Place : Mumbai  
Date: 6.11.2009

Sd/-

**(J.S.Surya Narayana)**  
Director

Sd/-

**(Dr. Vivek Hebbar)**  
Chairman, Board of Directors

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009**

Particulars	Schedule Nos.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Income</b>			
Sales	8	178,905,924	96,211,250
Total Income		178,905,924	96,211,250
<b>Expenditure</b>	9	147,564,825	89,315,427
Depreciation		17,299,326	2,232,966
Total Expenditure		164,864,151	91,548,393
Profit Before Taxation		14,041,773	4,662,857
Provision for Taxation		-	-
Current Tax			
Deffered Tax		(2,500,000)	
Fringe benefit tax (Provision)		26,000	25,000
Profit/Loss after Tax		16,515,773	4,637,857
Add : Opening Balance of P& L A/c		(56,114,449)	(60,752,306)
Balance Carried to Balance Sheet		(39,598,676)	(56,114,449)
Significant Accounting policies/Notes to Accounts	10		
Earnings per share			
Basic and Diluted (On Re 1 per share)		0.09	0.03

As per our report of even date attached

For and on behalf of the Board

**For J& K Agarwal & Co**  
Chartered Accountants

Sd/-

**(J.K Agarwal)**  
Partner  
M.no:35554

Place: Mumbai  
Date: 6.11.2009

Sd/-

**(J.S.Surya Narayana)**  
Director

Sd/-

**(Dr. Vivek Hebbar)**  
Chairman, Board of Directors

**SCHEDULES TO THE BALANCE SHEET**

Amount (Rs)

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Schedule -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
25,00,00,000 Equity Shares of Rs. 1/- each	250,000,000	250,000,000
<b>Issued Share Capital</b>		
19,23,45,000 Equity Shares of Rs. 1/- each	192,345,000	192,345,000
<b>Subscribed and paid up capital</b>		
19,14,92,990 Equity Shares of Rs. 1/- each	191,492,990	191,492,990
Less : Calls in Arrears		852,010
	<u>191,492,990</u>	<u>190,640,980</u>
<b>Schedule -2</b>		
<b>Reserves and Surplus</b>		
Securities Premium Account		
Opening Balance as at 01.04.2008	15,060,661	0
Additions during the year	60,852,010	30,400,000
Deductions during the year	-	15,339,339
Closing Balance as at 31.03.2009	<u>75,912,671</u>	<u>15,060,661</u>
<b>Schedule -3</b>		
Unsecured Loans		
Others	<u>1,490,000</u>	<u>1,052,223</u>

**Schedule 4****Fixed Assets**

Amount (Rs)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2008	Additions	Deletions	Total as at 31.03.2009	Up to 01.04.2008	for the Year	As at 31-03-2009	As at 31-03-2009	As at 31.03.2008
Computers	49,911,978	4575285	0	54,487,263	49,801,798	1,001,748	50,803,546	3,683,717	110,180
Electrical Equipment	26,820	954689	0	981,509	26,820	69,491	96,311	885,198	0
Airconditioners	2,242,900	345654	0	2,588,554	2,195,954	31,690	2,227,644	360,910	46,946
Furniture & Fixtures	9,991,884	1265550	0	11,257,434	9,482,982	211,978	9,694,960	1,562,474	508,902
Office Equipment	221,359	56789	0	278,148	125,925	22,652	148,577	129,571	95,434
Software and IPR's	39,256,500	15765962	0	55,022,462	1,840,796	15,961,766	17,802,562	37,219,900	37,415,704
<b>Total</b>	<b>101,651,441</b>	<b>22,963,929</b>	<b>0</b>	<b>124,615,370</b>	<b>63,474,275</b>	<b>17,299,326</b>	<b>80,773,601</b>	<b>43,841,769</b>	<b>38,177,166</b>

## SCHEDULES TO THE BALANCE SHEET

Amount (Rs)

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Schedule -5</b>		
<b>INVESTMENTS</b>		
Trade Investments		
TRACTEL SOLUTIONS INC	60,000,000	60,000,000
(510000 equity shares of USD 1 each)		
TRACTEL SOLUTIONS INC ESCROW	60,000,000	
OCTANT INTERACTIVE TECHNOLOGIES LTD (Previously TEMP)	39,033,225	39,033,225
(3726322 equity shares of Rs.10 each face value)	159,033,225	99,033,225
<b>Schedule 6</b>		
<b>CURRENT ASSETS</b>		
(i) <b>Receivables</b>		
Sundry Debtors		
Unsecured		
Debtors exceeding for a period of six months		
Considered Good	0	0
Considered Doubtful	0	0
Other Debts considered good		
secured		
Others (Considered Good)	22,198,981	15,287,000
Others	22,198,981	15,287,000
(ii) <b>Cash &amp; Bank Balances</b>		
Cash on hand	11,000	0
Bank Balances		
With Scheduled banks	632,710	7,004,044
With Deposit Accounts	0	0
<b>Sub Total (ii)</b>	643,710	7,004,044
(iii) <b>Loans and Advances</b>		
(Unsecured- Considered good unless otherwise than stated)		
Advances Recoverable in Cash or in kind or for Value to be received		
Considered Good	2,200,000	0
	2,200,000	0
Deposits		
Other Deposits	435,300	185,300
	435,300	185,300
<b>Total</b>	2,635,300	185,300
<b>Total Current assets</b>	27,677,991	22,476,344
<b>Schedule -7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Liabilities	1,530,000	9,022,320
Provisions	26,000	25,000
<b>Total</b>	1,556,000	9,047,320



**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**

Amount (Rs)

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Schedule 8</b>		
<b>INCOME</b>		
Software Sales	173,544,325	96,211,250
Other Income	5,361,599	
Total	178,905,924	96,211,250
<b>Schedule 9</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Telephone,Internet etc	180,000	96,474
Postage & Telephone Charges etc.	104,034	69,356
Travelling Expenses	1,647,311	1,223,758
Salaries	1,980,000	11,577,721
Other Expenses	1,701,466	1,091,677
Repair & Maintenance	581,515	151,285
Rent	1,500,000	412,000
Bank Charges	22,390	10,865
Onsite Expenses	138,123,943	73,389,764
Audit Fees	33,708	33,708
Business Promotion Expenses	1,235,426	913,282
Electricity Charges	420,000	185,290
Rates and Taxes	35,032	160,248
Total	147,564,825	89,315,427

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2009**

Particulars	31.03.2009 (Rs)	31.03.2008 (Rs)
Profit before taxes	14,041,773	4,662,857
Add		
Depreciation	17,299,326	2,232,966
Tax Paid	(26,000)	(25,000)
Operating profit before working capital changes	31,341,099	6,895,823
Increase in Current Assets		
(Increase)/Decrease in Receivables	(6,059,971)	(15,100,450)
(Increase)/Decrease in loans and advances	(2,450,000)	0
Increase/(Decrease) in Current Liabilities	(7,491,320)	8,948,875
<b>Cash from Operations (A)</b>	<b>15,313,808</b>	<b>719,248</b>
Cash flows from Investing Activities		
Capitalization, Investments in Tractel Solutions Inc	(60,000,000)	(60,000,000)
Trade Investments		(39,033,225)
Purchase of fixed assets	(22,963,929)	(2,149,928)
<b>Cash flows from Investing Activities (B)</b>	<b>(82,963,929)</b>	<b>(101,183,153)</b>
Cash flow from Financing Activities		
Proceeds from Capitalization (Preferential Allotment)	60,852,010	106,400,000
Unsecured loans	437,777	1,052,222
<b>Cash flow from Financing Activities (C)</b>	<b>61,289,787</b>	<b>107,452,222</b>
<b>Net increase in cash and cash Equivalent (A+B+C)</b>	<b>(6,360,334)</b>	<b>6,988,317</b>
Cash and Cash Equivalent as at beginning of the year	7,004,044	15,726
<b>Cash and Cash Equivalent as at end of the year</b>	<b>643,710</b>	<b>7,004,044</b>

As per our report of even date attached

for and on behalf of the Board

**For J& K Agarwal & Co**

Chartered Accountants

Sd/-

**(J.K. Agarwal)**

Partner

M.No:35554

Place: Mumbai

Date: 6.11.2009

Sd/-

**(J.S.Surya Narayana)**

Director

Sd/-

**(Dr. Vivek Hebbar)**

Chairman, Board of Directors

## NOTES ON ACCOUNTS

### Schedule 10

#### Significant Accounting policies and notes on accounts for the year ended 31st March 2009.

#### 1. Basis of Accounts

- (a) The financial statements have been prepared under the historical cost conversion and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant, presentational requirements of the Companies Act, 1956.
- (b) Accounting policies not specifically referred to are consistent and in consonance with Generally Accepted Accounting Principals followed by the Company and are in compliance With the Accounting Standards referred to under Section 211(3C) of the companies Act, 1956.
- (c) The Preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and losses on going software projects, 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. Such estimates are made for expected contract cost to be incurred to complete software development and the useful life of fixed assets. Actual could differ from these estimates.

#### 2. Fixed Assets

Fixed Assets are stated at cost after providing the depreciation in the Hardware & Software and other fixed assets.

#### 3. Revenue Recognition

The Company derived its revenues primarily from software services and software products. Revenue from time and material contract is recognized on the basis of software developed and billed in accordance with the terms of the contract, under the percentage of completion method.

#### 4. Taxation

Taxation is accounted on the basis of the Liability Method which is generally followed in India. Provision is made for income tax based on computations after considering rebates, relief s and exemptions under the income Tax Act, 1961.

The Provident Fund and Superannuation Schemes are defined contribution plans for which contribution accruing each year as per the scheme is expensed.

#### 5. Retirement Benefits

The Company has not provided for gratuity amount. It will be paid and accounted as and when the liability arises.

#### Notes to Accounts

1. Figures have been rounded off to the nearest rupee.
2. Schedule 1 to 9 consist of forming part of Balance Sheet and Profit and Loss account.
3. All figures are in Rupees. Paise have been rounded to nearest Rupee.
4. Previous year figures are regrouped and rearranged wherever necessary.
5. In the opinion of the management all current assets including and advances would in the normal course of business realized the value stated
6. Quantitative details  
 The company is engaged in the business of development of Software Products. The production and sale of Software is not capable of being expressed in any generic unit. Hence it is not possible to give the quantitative details of such sale and the information required under paragraphs 3,4C of Part II of Schedule VI of the Companies Act, 1956.
7. The Company has earned a Foreign Exchange of Rs. 16,66,32,344 (Previous year Rs 72,158,437) during the year.
8. The Company is engaged primarily in the business of software development, but during the current financial year the company did only data entry works and accordingly there are no separate reportable segments as per Accounting Standard - AS 17 - Segment Reporting issued by ICAI.
9. In the matter of compliance with the Accounting Standard AS-22, based on the materiality, Deferred taxes have not been accounted in the books.

## NOTES ON ACCOUNTS

### 10. Earnings per Share (AS-20)

Basic and Diluted Earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year and shown in the Profit and loss account.

11. Audit Fees for the year is Rs 33708 (statutory audit Rs 20000, Tax audit Rs 10000 and service tax Rs 3708) and Previous year Rs 33708 ((statutory audit Rs 20000, Tax audit Rs 10000 and service tax Rs 3708).

12. In accordance with the Accounting Standard 18 of Related Party Disclosures, name of the related parties and description of the relation ship are given below

S. No	Name of Party	Description of relationship
1	Tractel Solutions INC	Subsidiary

The company has entered into a swap through an agreement with Tractel Solutions Inc, as per Overseas Direct Investment Guidelines (ODI), with the due approval of **Reserve Bank of India**. (Previous Year Nil)

As per our report of even date attached

For and on behalf of the Board

**For J& K Agarwal & Co**  
Chartered Accountants

Sd/-

**(J.K. Agarwal)**  
Partner  
M.No:35554

Place: Mumbai  
Date: 6.11.2009

Sd/-

**(J.S.Surya Narayana)**  
Director

Sd/-

**(Dr. Vivek Hebbar)**  
Chairman, Board of Directors

## BALANCE SHEET ABSTRACT

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

### BALANCE SHEET ABSTRACT AND THE COMPANIES GENERAL BUSINESS PROFILE

#### Registration Details

Corporate Identity No L30007KA1992PLC025294

Balance Sheet Date 31 03 2009

#### Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	268896	Total Assets	268896
Sources of Funds			
Paid-up-Capital	190640	Reserves & Surplus	75912
Secured Loans	NIL	Unsecured Loans	1490
Application of Funds			
Net Fixed Assets	43842	Investments	159033
Net Current Assets	23922	Misc. Expenditure	NIL

#### Performance of the Company (Amount in Thousands)

Turnover	178906	Total Expenditure	164864
Profit before tax	14042	Profit after Tax	16516
Earnings per Share in	Rs 0.09		

#### Generic Name of three principal products/services of the Company (as per monetary terms)

Item code No (ITC Code)	Software
Product Description	892.2

As per our report of even date attached

For and on behalf of the Board

**For J& K Agarwal & Co**  
Chartered Accountants

Sd/-

**(J.K.Agarwal)**  
Partner  
M.No:35554

Place: Mumbai  
Date: 6.11.2009

Sd/-

**(J.S.Surya Narayana)**  
Director

Sd/-

**(Dr. Vivek Hebbar)**  
Chairman, Board of Directors

# **FIRSTOBJECT TECHNOLOGIES LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

**AUDITORS' REPORT**

To, The Board of Directors of **Firstobject Technologies Limited** on the Consolidated Financial Statements of Firstobject Technologies Limited and it's Subsidiary.

- 1 We have audited the attached Consolidated Balance Sheet of Firstobject Technologies Limited and its subsidiary (the group), as at March 31,2009, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material miss-statement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 We did not audit the Financial Statement of Subsidiary, whose financial statement reflect the net assets of Rs. 12,14,95,700 as at march 31, 2009 and net profit of Rs 8,21,25,700 for the year ended on that date, which are considered in the Consolidated Financial Statements. These Financial Statement and other financial information have been audited by other auditor 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.
- 4 We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Statement-21, "Consolidated Financial Statement" issued by the Instituted Of Chartered Accountants of India.
5. Based on our audit, and on consideration of the report of the other auditors on the separated financial statement of the Subsidiary and other financial information of its components, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statement 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 state of affairs of the Group as at March 31, 2009.
  - (b) In the case of the Consolidated Profit & Loss account, of the Profit of the Group for the year ended on that date; and
  - (c) In the case of Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**For J & K Agarwal and Co.**  
Chartered Accountants

**J.K.Agarwal**  
Partner

Membership No.: 35554

Place : Mumbai  
Date : 6.11.2009

**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2009**

Particulars	Sch No	As at 31.03.2009 (Rs)	As at 31.03.2008 (Rs)
<b>Sources of Funds</b>			
1. Shareholder's Funds	1	191,492,990	190,640,980
2. Reserves & surplus	2	108,249,653	15,060,661
3. Minority Interest		59,532,893	48,982,957
3. Loan Funds	3		
Unsecured Loans		1,490,000	2,627,023
TOTAL		<u>360,765,536</u>	<u>257,311,621</u>
<b>Application of Funds</b>			
1. <b>Good will on consolidation</b>		70,203,641	39,921,298
1. <b>Fixed Assets</b>			
Gross Block	4	146,072,020	123,108,091
Less: Accumulated Depreciation		99,423,585	80,094,596
Net block		<u>46,648,435</u>	<u>43,013,495</u>
Deferred Tax Asset		2,500,000	0
2. Investments	5	68,560,725	68,560,725
3. Current Assets	6		
Receivables		155,274,463	67,391,000
Cash and Bank Balances		2,565,812	8,903,646
Loans and Advances		24,117,689	19,332,317
		<u>181,957,963</u>	<u>95,626,963</u>
4. Current Liabilities and Provisions	7		
Liabilities		9,079,229	12,929,824
Provisions		26,000	2,091,925
		<u>9,105,229</u>	<u>15,021,749</u>
Net Current Assets		<u>172,852,734</u>	<u>80,605,214</u>
5. Miscellaneous expenditure to the extent not written off or adjusted		0	0
6. Profit & Loss Account (Debit Balance)	8	0	25,210,888
TOTAL		<u>360,765,536</u>	<u>257,311,621</u>
Significant Accounting Policies and Notes to Accountants	11		

as per our report of even date attached

For and on behalf of the Board

**For J & K Agarwal & Co**

Chartered Accountants

Sd/-

**(J.K. Agarwal)**

Partner

M.No:35554

Place : Mumbai

Date: 6.11.2009

sd/-

**(J.S. Surya Narayana)**

Director

sd/-

**(Dr. Vivek Hebbar)**

Chairman, Board of Directors



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE 31ST MARCH, 2009**

Particulars	Schedule Nos.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Income</b>			
Sales	9	423,448,024	218,853,810
Total Income		423,448,024	218,853,810
<b>Expenditure</b>	10	307,951,562	150,344,736
Depreciation		19,328,989	3,251,000
<b>Total Expenditure</b>		327,280,551	153,595,735
Profit Before Taxation		96,167,473	65,258,075
Provision for Taxation			-
Current Tax			-
Deffered Tax		(2,500,000)	
Fringe benefit tax (Provision)		26,000	25,000
Profit/Loss after Tax		98,641,473	65,233,075
Minority Interest		40,241,593	29,691,657
Profit after Tax after Minority Interest		58,399,880	35,541,418
Add : Opening Balance of P& L A/c		(25,210,888)	(60,752,306)
Balance Carried to Balance Sheet		33,188,992	(25,210,888)
Significant Accounting policies/Notes to Accounts	11		
Earnings per share			
Basic and Diluted (On Re 1 per share)		0.30	0.23

as per our report of even date attached

For and on behalf of the Board

**For J & K Agarwal & Co**  
 Chartered Accountants

Sd/-

**(J.K.Agarwal)**

Partner

M.No:35554

Place : Mumbai

Date: 6.11.2009

sd/-

**(J.S. Surya Narayana)**

Director

sd/-

**(Dr. Vivek Hebbar)**

Chairman, Board of Directors

**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET**

Amount (Rs)

Particulars	As at 31.03.2009	As at 31.03.2008
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**Schedule -1****SHARE CAPITAL****Authorised**

25,00,00,000 Equity Shares of Rs. 1/- each	<b>250,000,000</b>	250,000,000
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**Issued Share Capital**

19,23,45,000 Equity Shares of Rs. 1/- each	<b>192,345,000</b>	192,345,000
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**Subscribed and paid up capital**

19,14,92,990 Equity Shares of Rs. 1/- each	<b>191,492,990</b>	191,492,990
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Less : Calls in Arrears		852,010
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<b>Total</b>	<b>191,492,990</b>	<b>190,640,980</b>
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**Schedule -2****Reserves and Surplus**

## Securities Premium Account

Opening Balance as at 01.04.2008	<b>15,060,661</b>	0
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Additions during the year	<b>60,852,010</b>	30,400,000
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Deductions during the year	0	15,339,339
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Closing Balance as at 31.03.2009	<b>75,060,661</b>	15,060,661
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Profit and Loss Account	<b>33,188,992</b>	
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<b>Total</b>	<b>108,249,653</b>	<b>15,060,661</b>
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**Schedule -3**

## Unsecured Loans

Others	<b>1,490,000</b>	2,627,023
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**Schedule 4****Fixed Assets**

Amount (Rs)

Particulars	GROSS BLOCK			Total as at 31.03.2009	DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2008	Additions	Deletions		Up to 01.04.2008	for the Year	As at 31-03-2009	As at 31-03-2009	As at 31.03.2008
Computers	49,911,978	4575285	0	54,487,263	49,801,798	1,001,748	50,803,546	3,683,717	110,180
Electrical Equipment	26,820	954689	0	981,509	26,820	69,491	96,311	885,198	0
Airconditioners	2,242,900	345654	0	2,588,554	2,195,954	31,690	2,227,644	360,910	46,946
Furniture & Fixtures	9,991,884	1265550	0	11,257,434	9,482,982	211,978	9,694,960	1,562,474	508,902
Office Equipment	221,359	56789	0	278,148	125,925	22,652	148,577	129,571	95,434
Software and IPR's	39,256,500	15765962	0	55,022,462	1,840,796	15,961,766	17,802,562	37,219,900	37,415,704
<b>Total</b>	<b>101,651,441</b>	<b>22,963,929</b>	<b>0</b>	<b>124,615,370</b>	<b>63,474,275</b>	<b>17,299,326</b>	<b>80,773,601</b>	<b>43,841,769</b>	<b>38,177,166</b>

**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET**

Amount (Rs)

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Schedule -5</b>		
<b>INVESTMENTS</b>		
Trade Investments	68,560,725	68,560,725
Total	68,560,725	68,560,725
<b>Schedule 6</b>		
<b>CURRENT ASSETS</b>		
<b>(i) Receivables</b>		
Sundry Debtors		
Unsecured		
Debtors exceeding for a period of six months		
Considered Good	0	
Considered Doubtful	0	0
Other Debts considered good secured		
Others (Considered Good)	155,274,463	67,391,000
Others (Considered Doubtful)	0	0
Sub Total (i)	155,274,463	67,391,000
<b>(ii) Cash &amp; Bank Balances</b>		
Cash on hand	11,000	0
Bank Balances		
With Scheduled banks	632,710	7,004,043
With Deposit Accounts	0	
With Other Accounts	1,922,103	1,899,603
Sub Total (ii)	2,565,812	8,903,646
<b>(iii) Loans and Advances</b>		
(Unsecured- Considered good unless otherwise than stated)		
Advances Recoverable in Cash or in kind or for Value to be received		
Considered Good	23,682,389	0
Deposits		
Other Deposits	435,300	19,332,317
Sub Total (iii)	24,117,689	19,332,317
Total Current assets	205,640,352	95,626,963
<b>Schedule -7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Liabilities	9,079,229	12,929,824
Provisions	26,000	2,091,925
Total	9,105,229	15,021,749

**SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT**

Amount (Rs)

<b>Particulars</b>	<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
<b>Schedule 8</b>		
<b>Profit and Loss Account</b>		
Balance as at 31st March	-25210888	(60,752,306)
Add: Additions During the Year	58399880	35,541,418
	<hr/>	<hr/>
Closing Balance	33188992	(25,210,888)
	<hr/> <hr/>	<hr/> <hr/>
<b>Schedule 9</b>		
<b>INCOME</b>		
Software Sales	418,086,425	218,853,810
Other Income	5,361,599	
	<hr/>	<hr/>
Total	423,448,024	218,853,810
	<hr/> <hr/>	<hr/> <hr/>
<b>Schedule 10</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Telephone,Internet etc	180,000	96,474
Postage & Telephone Charges etc.	104,034	69,356
Travelling Expenses	1,647,311	1,223,758
Salaries	36,608,225	24,844,573
Other Expenses	19,620,826	3,157,791
Repair & Maintenance	581,515	151,285
Rent	1,500,000	412,000
Bank Charges	22,390	10,865
Onsite Expenses	245,762,695	118,885,705
Audit Fees	234,108	234,108
Business Promotion Expenses	1,235,426	913,282
Electricity Charges	420,000	185,290
Rates and Taxes	35,032	160,249
	<hr/>	<hr/>
Total	307,951,562	150,344,736
	<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED NOTES ON ACCOUNTS

### Schedule 11

#### Consolidated Significant Accounting policies and notes on accounts for the year ended 31st March 2009.

##### 1. Basis of Consolidation

The Consolidated financial statements are prepared in accordance with Accounting standard 21 on Consolidated Statements issued by the Chartered Accountants of India.

Financial statements of the holding company and subsidiary is prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.

Subsidiary included in the Consolidation

Name of the Enterprise	Country	Nature of operation	Controlling interest
M/s Tractel Solutions Inc	USA	Telecom/Software	51%

##### Significant Accounting Policies

##### 1. Basis of Accounts

- (a) The financial statements have been prepared under the historical cost conversion and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant, presentational requirements of the Companies Act, 1956.
- (b) Accounting policies not specifically referred to are consistent and in consonance with Generally Accepted Accounting Principles followed by the Company and are in compliance With the Accounting Standards referred to under Section 211(3C) of the companies Act, 1956.
- (c) The Preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and losses on going software projects, 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. Such estimates are made for expected contract cost to be incurred to complete software development and the useful life of fixed assets. Actual could differ from these estimates.

##### 2. Fixed Assets

Fixed Assets are stated at cost after providing the depreciation in the Hardware & Software and other fixed assets.

##### 3. Revenue Recognition

The Company derived its revenues primarily from software services and software products. Revenue from time and material contract is recognized on the basis of software developed and billed in accordance with the terms of the contract, under the percentage of completion method.

##### 4. Taxation

Taxation is accounted on the basis of the Liability Method which is generally followed in India. Provision is made for income tax based on computations after considering rebates, relief s and exemptions under the income Tax Act, 1961.

The Provident Fund and Superannuation Schemes are defined contribution plans for which contribution accruing each year as per the scheme is expensed.

##### 5. Retirement Benefits

The Company has not provided for gratuity amount. It will be paid and accounted as and when the liability arises.

##### 6. Deferred Revenue Expenditure

As allowed in the Section 78 of the Companies Act 1956, Public issue expenditure and preliminary expenses have been written off to the Securities premium Account.

##### Notes to Accounts

1. Figures have been rounded off to the nearest rupee.
2. Schedule 1 to 9 consist of forming part of Balance Sheet and Profit and Loss account.

## CONSOLIDATED NOTES ON ACCOUNTS

3. All figures are in Rupees. Paise have been rounded to nearest Rupee.
4. In the opinion of the management all current assets including and advances would in the normal course of business realized the value stated
5. Quantitative details

The company is engaged in the business of development of Software Products. And the production and sale of Software is not capable of being expressed in any generic unit. Hence it is not possible to give the quantitative details of such sale and the information required under paragraphs 3,4C of Part II of Schedule VI of the Companies Act, 1956.

6. The Company has earned a Foreign Exchange of Rs. 16,66,32,344 (Previous year Rs 72,158,437) during the year.
7. The Company is engaged primarily in the business of software development, but during the current financial year the company did only data entry works and accordingly there are no separate reportable segments as per Accounting Standard - AS 17 - Segment Reporting issued by ICAI.
8. In the matter of compliance with the Accounting Standard AS-22, based on the materiality, Deferred taxes have not been accounted in the books.
9. Audit Fees for the year is Rs 2,34,108 Previous year 2,34,108.
10. Earnings per Share (AS-20)

Basic and Diluted Earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year and shown in the Profit and loss account.

11. In accordance with the Accounting Standard 18 of Related Party Disclosures, name of the related parties and description of the relationship are given below

S. No	Name of Party	Description of relationship
1	Tractel Solutions INC	Subsidiary

The company has entered into a swap through an agreement with Tractel Solutions Inc, as per Overseas Direct Investment Guidelines (ODI), with the due approval of **Reserve Bank of India**. (Previous Year Nil)

as per our report of even date attached

For and on behalf of the Board

**For J & K Agarwal & Co**  
Chartered Accountants

Sd/-

**(J.K Agarwal)**

Partner

M.No:35554

Place : Mumbai

Date: 6.11.2009

sd/-

**(J.S. Surya Narayana)**

Director

sd/-

**(Dr. Vivek Hebbar)**

Chairman, Board of Directors

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2009**

Particulars	31.03.2009 Rs.	31.03.2008 Rs.
Profit before taxes	96,167,473	65,258,075
Add		
Depreciation	19,328,989	3,251,000
Operating profit before working capital changes	115,496,462	68,509,075
Increase in Current Assets		
(Increase)/Decrease in Receivables	(87,883,463)	(67,204,449)
(Increase)/Decrease in loans and advances	(4,785,372)	14,368,620
Increase/(Decrease) in Current Liabilities	(5,916,520)	14,898,304
<b>Cash from Operations (A)</b>	<b>16,911,108</b>	<b>30,571,550</b>
<b>Cash flows from Investing Activities</b>		
Capitalisation, Purchase of Shares in Tractel Solutions Inc	(60,000,000)	(99,033,225)
Trade Investments		(29,527,500)
Purchase of fixed assets	(22,963,929)	(2,149,928)
<b>Cash flows from Investing Activities (B)</b>	<b>(82,963,929)</b>	<b>(130,710,653)</b>
Cash flow from Financing Activities		
Proceeds from Capitalization (Preferential Allotment)	60,852,010	106,400,000
Unsecured loans	(1,137,023)	2,627,023
<b>Cash flow from Financing Activities (C)</b>	<b>59,714,987</b>	<b>109,027,023</b>
<b>Net increase in cash and cash Equivalent (A+B+C)</b>	<b>(6,337,834)</b>	<b>8,887,920</b>
Cash and Cash Equivalent as at beginning of the year	8,903,646	15,726
Cash and Cash Equivalent as at end of the year	2,565,812	8,903,646

as per our report of even date attached

For and on behalf of the Board

**For J & K Agarwal & Co**

Chartered Accountants

Sd/-

**(J.K Agarwal)**

Partner

M.No:35554

Place : Mumbai

Date: 6.11.2009

sd/-

**(J.S. Surya Narayana)**

Director

sd/-

**(Dr. Vivek Hebbar)**

Chairman, Board of Directors

## Firstobject Technologies Limited

**Registered Office:** 1st Floor, Swayamkrishi, SMILINE Building, No: 8-3-952/10/2 & 2/1, Srinagar Colony, Hyderabad-500 073

Venue for AGM

Seminar Hall

Hotel Savera Residency, Beside Big Bazaar Shopping Mall  
Ameerpet Main Road, Hyderabad-500 016.

### ATTENDANCE SLIP

Members or their proxies are requested to present this for admission, duly signed in accordance with their specimen signatures registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary.

NAME & ADDRESS OF THE SHAREHOLDER	DP ID/CLIENT ID LEDGER FOLIO	NO. OF SHARES HELD

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held on Saturday, 28th November, 2009 at 10.30 A.M.

SIGNATURE OF THE SHAREHOLDER OR PROXY

## Firstobject Technologies Limited

**Registered Office:** 1st Floor, Swayamkrishi, SMILINE Building, No: 8-3-952/10/2 & 2/1, Srinagar Colony, Hyderabad-500 073

DP ID/ CLIENT ID L.F. No.

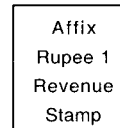
I, We \_\_\_\_\_ of \_\_\_\_\_

being a member / members of Firstobject Technologies Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to vote for me /us and on my/our behalf at the Annual General Meeting of

the Company to be held at 10.30 A.M. on Saturday, 28th November 2009.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009,



Signature of the Shareholder(s)

NOTE : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Meeting.



**Regd. Office : FIRSTOBJECT TECHNOLOGIES LIMITED**  
Swayamkrishi, 1<sup>st</sup> Floor, SMILINE Building, No: 8-3-952/10/2 & 2/1, Srinagar Colony,  
Hyderabad-500 073, India. Tel: 040 - 20000235/20000233  
Email : [info@firstobjectindia.com](mailto:info@firstobjectindia.com) • Website : [www.firstobjectindia.com](http://www.firstobjectindia.com)

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