

**KNOWLEDGE DYNAMICS PRIVATE LIMITED**

**Balance Sheet as at 31st March 2009**


Amount in Rs.


	Schedule No	As at 31.03.2009	As at 31.03.2008
<b>I. Sources of Funds :</b>			
1. Shareholders' Funds			
(a) Capital	1	2,750,000	2,750,000
(b) Reserves and Surplus	2	255,000	255,000
		<b>3,005,000</b>	<b>3,005,000</b>
		<b>3,005,000</b>	<b>3,005,000</b>
<b>II. Application of Funds :</b>			
1. Current Assets, Loans and Advances			
(a) Sundry Debtors	3	1,471,818	1,471,818
(b) Cash and Bank Balances	4	22,611	45,741
(c) Loans and Advances	5	23,335	215,514
		<b>1,517,764</b>	<b>1,733,072</b>
Less: Current Liabilities			
(a) Liabilities	6	2,175,354	2,358,657
		<b>2,175,354</b>	<b>2,358,657</b>
Net Current Assets		<b>(657,590)</b>	<b>(625,584)</b>
2. Profit and Loss Account		3,662,590	3,630,584
		<b>3,005,000</b>	<b>3,005,000</b>
Notes to Accounts	9		

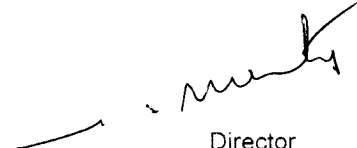
The Schedules referred to above and the Statement on Significant Accounting Policies form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

for and on behalf of the Board of Directors

  
**Ramesh**  
 Proprietor

  
 Director

  
 Director

V. Ramesh & Co.  
 Chartered Accountants

Place: Hyderabad  
 Date: October 1, 2009

**Knowledge Dynamics Pvt. Ltd.**  
 Unit III, No. 44B, 45P, 46P,  
 KIADB Industrial Area,  
 Electronic City Phase II,  
 Bangalore-561 229.

KNOWLEDGE DYNAMICS PRIVATE LIMITED

Profit and Loss Account for the year ended March 31, 2009

Amount in Rs.

	Schedule No.	For the year Ended 31.03.2009	For the year Ended 31.03.2008
<b>Income</b>			
Services		-	-
Other income	7	20,181	-
		<b>20,181</b>	-
<b>Expenditure</b>			
Operating and Administration Expenses	8	46,739	444,881
Financial Expenses		3,986	-
Loss on Foreign Exchange Fluctuations		-	31,460
		<b>50,725</b>	<b>476,341</b>
<b>Loss Before Taxation and prior period expenditure</b>		30,544	476,341
Provision for Taxation - Fringe Benefit		-	-
Prior period expenditure		1,462	-
<b>Loss After Taxation and prior period expenses</b>		<b>32,006</b>	<b>476,341</b>
Add: Balance brought forward from previous year		3,630,584	3,154,243
<b>Balance carried to Balance Sheet</b>		<b>3,662,590</b>	<b>3,630,584</b>
<b>Loss Per Share (Rs. per equity share of Rs. 10 each)</b>			
Basic and Diluted		0.12	1.73
<b>No. of Shares used in computing Loss Per Share</b>			
Basic and Diluted		275,000	275,000
Notes to Accounts	9		

The Schedules referred to above and the Statement on Significant Accounting Policies form an integral part of the Profit and Loss Account.


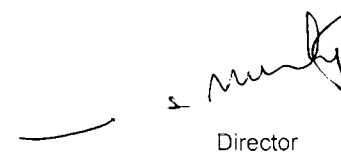
This is the Profit and Loss Account referred to in our report of even date.

for and on behalf of the Board of Directors

V. Ramesh  
Proprietor

V. Ramesh & Co.  
Chartered Accountants

Place: Hyderabad  
Date: October 1, 2009

 Director  
 Director

**Knowledge Dynamics Pvt. Ltd.**  
Unit No. 44P, 45P, 46P,  
KIADI Industrial Area,  
Electronics City Phase II,  
Bangalore-561 229.

**KNOWLEDGE DYNAMICS PRIVATE LIMITED**  
**Schedules forming part of the Balance Sheet**

Amount in Rs.

	As at 31.03.2009	As at 31.03.2008
<b>1. Capital</b>		
Authorised : 1,000,000 Equity Shares of Rs. 10 each	10,000,000	10,000,000
Issued and Subscribed : 275,000 ( 2007 - 275,000 ) Equity Shares of Rs. 10 each fully paid-up *	2,750,000	2,750,000
* Of the above 275,000 (2007 - 275,000) are held by Knowledge Dynamics Pte. Ltd. (Holding Company) and its nominees.		
<b>2. Reserves and Surplus</b>		
Share Premium Account	255,000	255,000
	<b>255,000</b>	<b>255,000</b>

*2*

*[Handwritten signatures]*

**Knowledge Dynamics Pvt. Ltd.**  
 Unit III, No. 44P, 45P, 46P,  
 KIADB Industrial Area,  
 Electronics City Phase II,  
 Bangalore-561 229.

**KNOWLEDGE DYNAMICS PRIVATE LIMITED**  
Schedules forming part of the Balance Sheet

Amount in Rs.

	As at 31.03.2009		As at 31.03.2008
<b>3. Sundry Debtors (Unsecured)</b>			
Considered good			
(a) Over six months old*	1,471,818		1,471,818
(b) Other debts	-		-
	1,471,818		1,471,818
Considered doubtful	-		-
	1,471,818		1,471,818
Less: Provision for doubtful debts	-		-
	<b>1,471,818</b>		<b>1,471,818</b>
*Receivable from Ultimate Holding Company			
<b>4. Cash and Bank Balances</b>			
Balances with Scheduled Banks			
- On Current Accounts	22,611		45,741
	<b>22,611</b>		<b>45,741</b>
<b>5. Loans and Advances</b>			
(Considered good unless otherwise stated)			
- TDS Receivable	23,335		215,514
- Deposits	-		-
	<b>23,335</b>		<b>215,514</b>
<b>6. Liabilities</b>			
Sundry Creditors			
- Dues to Micro Enterprises and Small enterprises	-		-
- Dues to other than Micro Enterprises and Small enterprises	1,888,262		2,071,565
Advances from Customers	-		-
Unearned Revenue	287,092		287,092
Other Liabilities	-		-
	<b>2,175,354</b>		<b>2,358,657</b>

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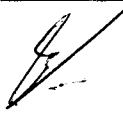
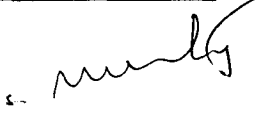
**Knowledge Dynamics Pvt. Ltd.**  
Unit III, No. 44P, 45P, 46P,  
KIADE Industrial Area,  
Electronics City Phase II,  
Bangalore-561 229.

**KNOWLEDGE DYNAMICS PRIVATE LIMITED**

**Schedules forming part of the Profit and Loss Account**

Amount in Rs.

	For the year Ended 31.03.2009	For the year Ended 31.03.2008
<b>7 Other income</b>		
Interest on TDS refund	20,181	-
	<b>20,181</b>	<b>-</b>
<b>8 Operating and Administration Expenses</b>		
Rates and taxes	-	46,014
Bad Debts	-	-
Travelling and conveyance	-	216,383
Communication	-	621
Printing and stationery	-	3,204
Legal and professional charges	19,164	727,727
Auditors' remuneration	27,575	300,000
Loss on sale of Fixed Assets (net)	-	12,873
Miscellaneous expenses	-	6,683
	<b>46,739</b>	<b>1,313,505</b>


  
**Knowledge Dynamics Pvt. Ltd**  
 Unit III, No. 44P, 43P, 42P,  
 KIADB Industrial Area,  
 Electronic City Phase II,  
 Bangalore-561 229.

**KNOWLEDGE DYNAMICS PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March 2009**

	Amount in Rs.	
	For the year Ended 31.03.2009	For the year Ended 31.03.2008
<b>A. Cash Flow from Operating Activities</b>		
Net Loss before Tax after prior period expenditure	(35,992)	(471,741)
Financial expenses	3,986	
Depreciation	-	
Loss on sale of Fixed Assets	-	
Exchange differences on translation of foreign currency cash and cash equivalents	-	31,460
Bad debts written off	-	32,282
<b>Operating Loss before changes in Working Capital</b>	<b>(32,006)</b>	<b>(407,999)</b>
Decrease/(Increase) in Sundry Debtors	-	1,145,481
Decrease/(Increase) in Loans and Advances	192,179	(26,649)
(Decrease)/Increase in Current Liabilities	(183,303)	(1,493,474)
<b>Cash used in Operations</b>	<b>(23,130)</b>	<b>(782,641)</b>
Fringe Benefit Tax		
<b>Net Cash used in Operating Activities</b>	<b>(23,130)</b>	<b>(782,641)</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from sale of Fixed Assets	-	
<b>Net Cash from Investing Activities</b>	-	-
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Secured Loans	-	(466,936)
Financial expenses	-	(34,232)
<b>Net Cash used in Financing Activities</b>	-	<b>(501,168)</b>
<b>D. Exchange differences on translation of foreign currency cash and cash equivalents</b>	-	<b>(31,460)</b>
Net( Decrease)/Increase in Cash and Cash equivalents during the year	(23,130)	(782,641)
Cash and Cash equivalents at the beginning of the year	45,741	859,843
<b>Cash and Cash equivalents at the end of the year</b>	<b>22,611</b>	<b>45,741</b>
<b>Supplementary Information</b>		
Cash and Bank Balances		-
Less: Long Term Deposits with Scheduled Banks considered as investment		-
<b>Balance considered for Cash Flow Statement</b>	-	-

Figures for the corresponding year have been regrouped, recast and re-arranged to conform to those of the current year wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

for and on behalf of the Board of Directors

**V. Ramesh**  
Proprietor

V. Ramesh & Co.  
Chartered Accountants

Place: Hyderabad  
Date: October 1, 2009

Director

Director

**Knowledge Dynamics Pvt Ltd**

Unit III, 45P, 46P,  
KIAIDB Industrial Area,  
Electronics City Phase II,  
Bangalore-561 229.

## KNOWLEDGE DYNAMICS PRIVATE LIMITED

### 9. Notes to Accounts

(a) Consequent to certain restructuring of business undertaken by Satyam Computer Services Limited (ultimate parent company) the company has decided to discontinue the software development operations temporarily. However, the financial statements have been prepared on a going concern basis pending examination of various options available to the company to recommence its operations.

#### (b) Segment Information

##### Business Segment

The Company has only one primary business segment, viz. Business Intelligence and Data Warehousing.

##### Geographic Segment

Revenue attributable to location of customers is as follows:

Geographic location	Amount in Rs.	
	Year ended March 31, 2009	Year ended March 31, 2008
Domestic	--	--
Overseas	--	--
<b>Total</b>	<b>--</b>	<b>--</b>

Segment assets based on their location are as follows:

Geographic location	Amount in Rs.	
	As at March 31, 2009	As at March 31, 2008
India	1,517,764	1,733,072
Overseas	--	--
<b>Total</b>	<b>1,517,764</b>	<b>1,733,072</b>

#### (c) Related Party Transactions

The Company had transactions with the following related parties

**Holding Company:** Knowledge Dynamics Pte Ltd.

**Ultimate Holding Company:** Satyam Computer Services Ltd (with effect from October 01, 2005)

Summary of the transactions and balances with the above related parties is as follows:

##### Transactions:

	Amount in Rs.	
	Year ended March 31, 2009	Year ended March 31, 2008
<b>Sales:</b>		
Holding Company	-	-
Fellow Subsidiary	-	-
<b>Outsourcing:</b>		
Ultimate Holding Company	-	-
<b>Advances:</b>		
Ultimate Holding Company	-	-
<b>Sale of Assets :</b>		
Ultimate Holding Company	-	-

Knowledge Dynamics Pvt. Ltd.  
Unit III, No. 44P, 45P, 46P

**KNOWLEDGE DYNAMICS PRIVATE LIMITED**

**Balances:**

	Amount in Rs.	
	As at March 31, 2009	As at March 31, 2008
<b>Payables:</b>		
Ultimate Holding Company	1,576,518	1,576,518
Knowledge Dynamics –Singapore	284,169	157,967
<b>Accounts Receivable:</b>		
Holding Company		
Ultimate Holding Company	1,471,818	1,471,818
<b>Advances:</b>		
Ultimate Holding Company	-	-

**(d) Earnings Per Share**

Calculation of EPS (Basic and Diluted):

S. No.	Particulars	Year ended March 31,	
		2009	2008
1.	Opening no. of shares	2,75,000	2,75,000
2.	Total Shares outstanding	2,75,000	2,75,000
3.	Loss after Taxation (Rs.)	32,006	476,341
4.	Loss per share (Rs.)	0.12	1.72

**(e) Auditors' Remuneration**

	Amount in Rs.	
	Year ended March 31, 2009	Year ended March 31, 2008
Statutory audit	27,575	300,000

**(f) Expenditure in foreign currency (on payment basis)**

	Amount in Rs.	
	Year ended March 31, 2009	Year ended March 31, 2008
Traveling expenses	-	-
Others	-	-

(g) Deferred Tax Asset arising from the timing differences has not been considered on account of uncertainty in availing the same.

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*[Handwritten signatures]*

Knowledge Dynamics Pvt. Ltd.  
 Unit III, No. 442, 45th Floor,  
 KIADB Industrial Area,  
 Electronics City Phase I,  
 Bangalore-561 225

## KNOWLEDGE DYNAMICS PRIVATE LIMITED

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(h) Knowledge Dynamics Private Limited ('the Company') has entered into a tripartite novation agreement with HDFC Limited, the only customer, and Satyam Computer Services Limited (Ultimate Parent Company) on August 04, 2006. As per the agreement the Company has transferred all the right, duties liabilities and obligations towards the above customer to Ultimate Parent Company as a part of the restructuring.

(i) **Prior-period expenditure**

An amount of 1,462 charged to the Profit & Loss account represents expense pertaining to 2007-08.

(j) **Other Information**

The Company is engaged in software consultancy services. The nature of such services cannot be expressed in generic units. Therefore, it is not possible to give quantitative details as required under paragraphs 3 and 4C of Part II Schedule VI of the Indian Companies Act, 1956. Information with regard to matters specified in 4D of Part II Schedule VI of the Indian Companies Act, 1956 to the extent that they are nil or not applicable to the company, are not furnished.

(k) **Reclassification**

Figures for the corresponding year have been regrouped, recast and rearranged to conform to those of the current year wherever necessary.

Signature to Schedules 1 to 9

The Notes to Accounts form an integral part of the financial statements

For and on behalf of the Board of Directors



**V. Ramesh**  
Proprietor



Director



Director

V. Ramesh & Co.  
Chartered Accountants

Place: Hyderabad  
Date: October 1, 2009

Knowledge Dynamics Pvt Ltd  
Unit III, 1st Floor, 2nd Stage  
SIADB Industrial Estate  
Electronics City Phase II  
Bangalore-561144

**Auditor's Report to the Members of the Knowledge Dynamics Private Limited**

We have audited the attached Balance Sheet of Knowledge Dynamics Private Limited, as at March 31, 2009, and the related Profit and Loss Account and Cash flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. 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. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believed that our audit provides a reasonable basis for our opinion.

**Attention is drawn to note (a) on schedule 9 regarding discontinuance of the operations. Pending management's decision for permanent discontinuation of operation these accounts have been prepared on going concern basis. In the event the company is unable to continue as a going concern, the resultant adjustment of any, on the year end net worth and on the loss for the year is not ascertainable at this stage.**

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004, issued by the Central Government of India in terms of sub-section(4A) of section 227 of "The Company Act, 1956 of India (the Act) and on the basis of such check of the books and records of the company as we given 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 to in paragraph 4 above, we report that.


- (a) We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper book dog account as required by law have kept by the Company as far as appears from our examination of those books;
- (c) The Balance Sheet, profit and Loss Account and Cash Flow Statement dealt with by this report are agreement with the books of account;



- (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to sub-Section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us and subject to our comment in Para 3 above, the said financial statements together with the notes thereon and attached thereto given in the presented manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2009;
- (ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date;

HYDERABAD  
01.10.2009



  
V. RAMESH  
Chartered Accountant  
Membership No: 204088

## ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 4 of the Auditors' Report of even date to the members of knowledge Dynamics Private Limited on the financial statement as at and for the year ended March 31, 2009]

1. The Company has no fixed assets and as such nothing is required to be commented on the fixed assets of the Company.
2. The company has not granted / taken any loans, secured or unsecured, to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. As the company has not granted / taken any loans, secured or unsecured, to / from companies, firm or other parties listed in the register maintained under Section 301 of the Act, clauses (iii) (b), (iii) (c), (iii) (d), (iii) (f) and (iii) (g) of paragraph 4 of the Companies (Auditor's Report Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
3. In our opinion and according to the information and explanations given to us, having regard to the explanation there are no purchases made during the year under audit. However there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of service. The activities of the company do not involve purchase of inventory and sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
4. According to the information and explanation give to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
5. The company has not accepted any accepted any deposits from the public within the meaning of Sections 58 A and 58AA of the Act and the rules framed there under.
6. The company did not have an internal audit system during the year.
7. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including, sales-tax, wealth tax, service tax, customs duty and other material statutory dues as applicable



with the applicable with the appropriate authorities. According to the information and explanation and protection fund, investor education and protection and protection fund, employees state insurance, excise duty and cess are not applicable of the company for the current year.

- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, wealth tax, service tax and customs duty which have not been deposited on account of any dispute. According to the information and explanations given to us and the records of the company examined by us, excise duty and cess are not applicable to the company for the current year.
8. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
  9. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  10. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
  11. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institution during the year.
  12. The company has not obtained any term loans.
  13. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no fund raised on a short-term basis which have been used for long-term investment.
  14. 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 during the year.
  15. The company has not raised any money by public issue during the year.
  16. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.



The other clauses, (ii), (viii), (xiii) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.



V. RAMESH  
Chartered Accountant  
Membership No: 204088



Place: Hyderabad.  
Date: 01.10.2009

**Knowledge Dynamics Private Limited**  
**Directors' Report**

To the Shareholders of Knowledge Dynamics Private Limited

Dear Members,

Your directors present this report of Knowledge Dynamics Private Limited for the year ended March 31, 2009.

**Business Outlook**

During this period the Company has received an other income of Rs.20,181 and incurred a net loss of Rs.32,006

Particulars	Rs.	
	March 31, 2009	March 31, 2008
Revenue	20,181	-
Operating Profit / (Loss)-(PBIDT)	(30,544)	(476,341)
Depreciation	-	-
Loss on Foreign Exchange fluctuations	-	31,460
Financial Expenses	3,986	-
Net Profit/(Loss)	(32,006)	(476,341)

**Directors**

Mr. A S Murty and Mr. G Jayaraman were inducted on the Board with effect from 26.02.09 and on the same date Mr. L. Venkatanarayanan and Mr. Sanjay Venkataraman resigned from their directorships.

**Auditors**

M/s Price Waterhouse, Bangalore, the statutory auditors of the Company has resigned from the office of Auditor of the Company vide their letter dated 24.02.09 causing casual vacancy in the office of Auditors. Hence, M/s V Ramesh & Co, Chartered Accountants, Hyderabad was recommended for their appointment as statutory Auditors of the Company in place of M/s Price Waterhouse to hold office of the Auditors of the Company.

**Fixed Deposits**

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

### **Conservation of Energy, Technology Absorption and Foreign Exchange**

The particulars prescribed under clause (e) of sub-section (1) of Section 217 of the Indian Companies Act, 1956, read with the Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988, are given in Annexure 'A' of this Report.

### **Particulars of Employees in terms of Section 217(2A) of the Indian Companies Act, 1956**

The list of Employees drawing remuneration in excess of the limit prescribed under Section 217(2A) of the Indian Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 : Nil

### **Directors' Responsibility Statement**

As required by the provisions of Section 217 (2AA) of the Companies Act, 1956, Directors' Responsibility Statement is attached as Annexure – B.

### **Acknowledgement**

The Board wishes to thank the customers, members, banks, suppliers, partners, and resellers for their continued support. Your Directors take this opportunity to place on record the valuable contribution and support received from the Associates of the Company.

for and on behalf of the  
Board of Directors

Place : Hyderabad  
Date : 01.10.2009

  
**A S Murty**  
Director

  
**G Jayaraman**  
Director

### Annexure 'A' to the Directors' Report

Particulars furnished pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. **Conservation of Energy:** The usage of Energy by the Company is negligible.

B. **Research and Development:** The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.

C. **Technology Absorption** : Nil

D. **31<sup>st</sup> March 2009**

I) Foreign Exchange Earning	Nil
II) Foreign Exchange outgo	Nil

Place : Hyderabad  
Date : 01.10.2009

  
A S Murty  
Director

  
G Jayaraman  
Director

## Annexure 'B' to the Directors' Report

### Directors' Responsibility Statement

To the Members,

We the Directors of Knowledge Dynamics Private Limited, confirm the following:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. that the Directors had 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;
- iv. that the directors had prepared the annual accounts on a going concern basis.

Place : Hyderabad  
Date : 01.10.2009

  
**A S Murty**  
Director

  
**G Jayaraman**  
Director