

## **SVAM SOFTWARE LIMITED**

### **BOARD OF DIRECTORS**

|                            |          |
|----------------------------|----------|
| Mr. Harshwardhan M. Koshal | Chairman |
| Mr. G.D. Binnani           | Director |
| Mr. Sudhir Kumar Agarwal   | Director |
| Mr. Shalabh Mittal         | Director |
| Mr. Neeraj Mishra          | Director |
| Mr. Rajeev Garg*           | Director |

\*appointed as on 11<sup>th</sup> June, 2008

Mr. Kapil Mohan Garg(resigned on 11<sup>th</sup> June, 2008)

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### **COMPANY SECRETARY**

Gurdeep Kaur

### **REGISTERED & ADMINISTRATIVE OFFICE**

S-524, Vikas Marg  
Shakarpur  
Delhi-110092

### **BANKERS**

HDFC  
Indusland Bank

### **STATUTORY AUDITORS**

Padam Dinesh & Co.  
11/6-B, IIInd Floor, Shanti Chambers , Pusa  
Road , New Delhi-110005

### **REGISTRAR & TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
123, Vinoba Puri, Lajpat Nagar-II  
New Delhi- 110024

# SVAM SOFTWARE LIMITED

## Notice of the 16th Annual General Meeting

Notice is hereby given that the 16<sup>TH</sup> Annual General Meeting of the Members of the Company will be held on Monday, 29<sup>th</sup> September, 2008 at 10.00 A.M at IPEX Bhawan, IP Extention, Delhi -110092 to transact the following businesses:

### **Ordinary Business**

1. To receive, consider and adopt the Audited Accounts for the year ended 31<sup>st</sup> March, 2008 and the Auditors and Directors Reports thereon.
2. To appoint a Director in place of Shri Neeraj Mishra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sudhir Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting. M/s Padam Dinesh & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re appointment and to fix their remuneration.

### **Special Business**

5. To Consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"Resolved that** Shri Rajeev Garg, who was appointed as an Additional Director – Executive by the Board of Directors of the company and who, as per the provisions of section 260 of the companies Act, 1956, holds the office upto the date of this Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the companies Act, 1956, received a notice from a member, in writing , proposing the candidature of Shri Rajeev Garg for the office of the director, be and is hereby appointed as a Director of the Company, eligible to retire by rotation".

6. To Consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

**"Resolved that** pursuant to the provisions of Section 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary the Board of Directors hereby accords its approval for the appointment of Mr. Rajeev Garg as Managing Director for a period of Five years effective from 11<sup>th</sup> June 2008, on the terms and conditions as set out in the resolution, a copy of which initiated by a Director for the purpose of identification is placed before the meeting and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the

Companies Act, 1956 or any statutory modifications thereof, as may be agreed to by the Board of Directors and Mr. Rajeev Garg".

The Board of Directors recommends the following Terms:

1. The Managing Director shall exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called the "Board") shall from time to time, determine and subject to any directions and restrictions from time to time given and imposed by the Board and further subject to the superintendence, control and direction of the Board, he shall have the general control, management and superintendence of the business of the company with power to appoint and dismiss employees and to enter into contracts on behalf of the company in the ordinary course of business and to do and perform all other acts, deeds and things which in ordinary course of business, he may consider necessary or proper or in the interest of company, provided however that nothing shall be done which by the Act or the Articles of the Company shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board or which are not expressly provided.

2. Without prejudice to the generality of the power vested in the Managing Director here in above, he shall be entitled to exercise the following powers:-

I) With the Boards approval to open and operate singly or otherwise any banking or other account and to draw, make, accept, execute, endorse, discount, negotiate, retire pay satisfy and assign cheques drafts bill of exchange, promissory notes, hundi, interest and dividend warrants and other negotiable or transferable instruments or securities.

II) To borrow moneys with or without security for the purpose of business of the company, subject to course to the approvals of the company as required under section 293 (1)(d) of the Act and approval of the Board of Directors of the company a required under Section 292 of the Act and subject further to such maximum limit a the Board may impose from time to time while giving its approval

III) To incur capital expenditure on behalf of the company

IV) To invest funds of the Company (other than in the shares of the other companies covered by Section 372 A of the Act and fixed deposit with the Company's bankers

V) To appoint franchisees / distributors for the sale of the products of the company subject to prior approval of the board whenever necessary:

VI) To ensure that all taxes due to the Central and State Gov. and Local Authorities are paid promptly

VII) To engage persons in the employment of the Company.

VIII) To increase the salary or the remuneration of any employee of the company and to sanction annual increases.

IX) To enter into contracts for the purchase of goods for the company subject to approval of the Board of Director in terms of Section 297 and 299 of the Act , wherever necessary.

X) To institute, prosecute defend oppose appear or appeal to compromise refer to arbitration abandon and execute or become non suited in any legal proceedings including trade names , trade properties and passing off actions and revenues proceeding relating to customs services or excise duty taxes on income, profit and capital and taxation generally or otherwise.

3. The Managing Director shall throughout the said term, devote his entire time attention and abilities to the business of the company and shall carry out the orders from time to time of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully service the company and use his utmost endeavors to promote to the interests of the company.

4. The Managing Director shall not, during the period of his employment and without the previous consent in writing of the board, engage or interest himself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further shall not in any manner whether directly or indirectly use apply or utilize his knowledge or experience for in the interest of any such business of a nature similar to or competing with the company business and further shall not in any manner whether directly or indirectly use apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business aforesaid.

5. The Managing Director shall not during the continuance of his employment with the company divulge or disclose to any person firm company or any body corporate whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company or as to any trade secrets or secrets process of the company and he shall, during the continuance of his employment hereunder, also use his best endeavors to prevent any other person, firm, company or body corporate concerned from doing so.

6. The Managing Director during the continuance to these terms of appointment will not be paid any remuneration in consideration of the performance of his duties.

7. Either party shall terminate these terms of appointment by giving to the other advance notices of one month provided that the notices may be waived by the company by giving in cash the remuneration for one month which the Managing Director would be received had he remained in the office for the said one month.

8. The terms and conditions hereof shall be subject to the approval of the shareholders of the company in general meeting.

9. Sitting Fees will be paid Rs. 1000/- within the limits prescribed by Schedule XIII of the Companies Act 1956.

Registered Office  
S-524, Vikas Marg  
Shakarpur,  
Delhi-110092

By the Order of the Board  
for **SVAM SOFTWARE LIMITED**

  
(Gurdeep Kaur)  
Company Secretary

**Dated: 07.08.2008**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THAT MEETING.
2. REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL BE CLOSED FROM 22/09/2008 TO 29/09/2008, BOTH THE DAYS INCLUSIVE.
3. MEMBERS ARE REQUESTED TO PLEASE NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESSES TO THE COMPANY.
4. MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.
5. THE PRACTISE OF DISTRIBUTING COPIES OF ANNUAL REPORT AT THE ANNUAL GENERAL MEETING HAS BEEN DISCONTINUED AS A MEASURE OF ECONOMY. MEMBERS ARE THEREFORE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.
6. SHAREHOLDERS SEEKING ANY INFORMATION WITH REGARD TO ACCOUNTS ARE REQUESTED TO WRITE WELL IN ADVANCE SO AS TO REACH THE COMPANY AT LEAST 7 DAYS PRIOR TO THE ANNUAL GENERAL MEETING TO ENABLE THE MANAGEMENT TO KEEP THE INFORMATION READY AT THE AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No 5**

Mr. Rajeev Garg was appointed as an Additional Director-Executive on 11<sup>th</sup> June, 2008 by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956, Mr Rajeev Garg shall hold the office up to the date of Annual General Meeting of the Company.

The Company has received valid notice and requisite deposit from the member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr Rajeev Garg for the office of the Director. In view of the back ground and valuable experience of Mr Rajeev Garg in investment strategies and a solid understanding of Stock Market Operations it will be in the interest of Company to continue as a Director of the Company.

Your Directors recommend the resolution for approval of the Members.

Mr Rajeev Garg is interested in the resolution as it relates to his appointment. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

**Item No 6**

Mr. Kapil Mohan Garg the Managing Director, has resigned from the Directorship on 11th June, 2008. in view of the progress for the Company, the Board accords its approval for the appointment of Mr. Rajeev Garg as Managing Director of the Company with effect from 11<sup>th</sup> June, 2008 who has been appointed as Additional Director - Executive in the same meeting subject to the approvals of the members of the company at the ensuing Annual General Meeting.

Registered Office  
S-524, Vikas Marg  
Shakarpur,  
Delhi-110092

By the Order of the Board  
for **SVAM SOFTWARE LIMITED**

**Date: 07.08.2008**

  
(Gurdeep Kaur)  
Company Secretary

# SVAM SOFTWARE LIMITED

## DIRECTORS REPORT

To  
The Members  
**Svam Software Ltd.**

Your Directors have pleasure in presenting the 16th Annual Report on the business, operations and financial performance of the company during the financial year ended 31<sup>st</sup> March 2008.

### FINANCIAL RESULTS

Rs. (In lacs)

| Particulars  | For The Year Ended          |                             |
|--|-----------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2008 | 31 <sup>st</sup> March 2007 |
| Sales/Operating Income   | 1175.41                     | 906.28                      |
| Gross Profit/ (Loss) after interest but before depreciation & taxation | 62.65                       | 107.34                      |
| Less: Depreciation   | 34.17                       | 34.31                       |
| Less: Income Tax/ FBT  | 1.29                        | 1.02                        |
| less: Decrease in Deferred tax assets during the year                  | 8.37                        | 22.71                       |
| Profit/(Loss) after tax  | 18.61                       | 49.30                       |
| Transfer to General Reserve/ P & L                                     | 18.61                       | 49.30                       |

### BUSINESS REVIEW

The performance of the company during the year under review has been encouraging. You will be pleased to note that during the year company has achieved turnover of Rs. 1175.41 lacs and after tax profit of Rs. 18.61 lacs against turnover of Rs. 906.28 lacs and profit after tax of Rs. 49.30 lacs in the corresponding previous year. The slow down in the profit is due to increase, in cost of sales, mainly development of software business, to strengthen the future in software market, turnover and profits.

### CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Director adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements.

**A separate report on Corporate Governance as stipulated, under Clause 49 of the listing Agreement, with the Stock Exchanges and have implemented all the prescribed requirements.**

**A certificate from the auditors of the company M/s Padam Dinesh & Co. confirming compliance of conditions of Corporate Governance as stipulated in Clause 49 is annexed to this report.**

**Listing Status:** Your Directors are further pleased to inform you that with the consistent efforts of yours management, during the year under review, trading in the shares of your Company was restarted at BSE & its suspension was revoked.

#### **DIRECTORS**

Your board of directors consist of Mr. Harshwardhan Koshal (Independent and Chairman), Mr. Rajeev Garg (Managing Director), Mr. Shalabh Mittal (Non Executive), Mr. Sudhir Kumar Agarwal (Non Executive), Mr. Neeraj Mishra (Independent) and Mr. G.D. Binnani (Non Executive).

Mr. **Kapil Mohan Garg** on 11<sup>th</sup> June, 2008 submitted his resignation from the Directorship of the Company due to his personal and health reasons; the Board has placed on records its appreciation for the valuable services rendered and contributed by him. Mr. **Rajeev Garg** (Independent and Chairman) has been appointed as an additional director w.e.f. 11<sup>th</sup> June, 2008, who will hold the office upto the date of next Annual General Meeting.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2AA) of the companies ACT, 1956, it is hereby confirmed:

1. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2008 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the directors 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 the financial year and of the profit of the company for the year under review.
3. That the directors 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.
4. That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2008 on a going concern basis.

#### **AUDITORS**

M/s Padam Dinesh & Co. holds office of the statutory auditors of the company until the conclusion of the ensuing Annual General Meeting and is eligible for re appointment.

The company has received certificate from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (IB) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

## **THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

In terms of the above rules, your directors are pleased to give the particulars as prescribed therein in the annexure, which form part of the directors' reports.

### **a. AUDIT COMMITTEE**

As per the provisions of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956, the members of the Committee consist of Mr. Harsh Wardhan Koshal, Chairman, Mr Neeraj Mishra and Mr Sudhir K. Agarwal, Directors.

### **b. INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE**

As per the provisions of the Listing Agreement, the members of the Committee consist of Mr. G. D Binnani, Chairman, Mr. Shalabh Mittal and Mr. Neeraj Mishra.

## **PARTICULARS OF EMPLOYEES**

As required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, as amended, no employee was in receipt of remuneration exceeding Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month for any part thereof.

## **PUBLIC DEPOSITS**

The company has not accepted any deposit from public within the meaning of section 58-A of the companies ACT, 1956 read with the companies (Acceptance of Deposits) rules, 1975.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

Particulars with respect to conservation of energy, Technology absorption, Foreign Exchange Earnings & outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

## **APPRECIATION**

The Company places on record its deep appreciation of the devoted services of executives and other staff of the company who have contributed in the performance and the Company's inherent strength. Grateful thanks are also due to the investors, the bankers, business associates & all other stakeholders for their continued support to the company from time to time. .

By the Order of the Board

For **SVAM SOFTWARE LIMITED**

Place: Delhi

Dated: 07/08/2008

(RAJEEV GARG)  
MANAGING DIRECTOR

(NEERAJ MISHRA)  
DIRECTOR

# SVAM SOFTWARE LIMITED

## ANNEXURE TO THE DIRECTORS REPORT

### CONSERVATION OF ENERGY

The operations of your Company do not consume high levels of energy. Adequate measures have been taken to conserve by using energy, efficient computers and equipment.

### A. TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out are as follows:

- a. Review of the existing courses and evaluation of feasibility of the new courses to be launched and estimating the costing thereof.
- b. Providing technical support on existing products.

2. Benefits derived as a result of the above R &

3. D:

As a result the organization is being able to implement current courses.

4. Future Plan of action:

R & D plans to enter the client server areas, as this is a major thrust area in the IT industry.

5. Expenditure on R & D: NIL

### B. FOREIGN EXCHANGE EARNINGS

There were no foreign exchange earnings as well as outgo of the company during the year under report.

# SVAM SOFTWARE LIMITED

## Report On Corporate Governance

(As required by clause 49 of the Listing Agreement of the Stock Exchanges)

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company possesses an ethical mindset about the values of good Corporate Governance. For Svam, Corporate Governance stands for responsible and value creating management and control of the Company. The company's policies and practice are not only consistent with the statutory requirement but also underline its commitment to operate in the best interest of its stakeholders.

**Svam** is committed to maintain highest standards of ethical behaviour and makes an honest endeavour to uphold the attributes of transparency, independence, accountability, responsibility and growth in all aspects of its operations.

### II. BOARD OF DIRECTOR

In furtherance of its Corporate Governance policy the Company ensures that all statutory, significant material information are placed before the board/committee of directors for their approval to enable them to discharge their responsibilities as trustees.

As on year ended 31st March 2008, the Board had a strength of six directors comprising a non-executive independent chairman, an executive director, three other non-executive directors and one non-executive independent director.

**The composition of board is as follows:**

| S. No. | Name of the director      | Status                                       |
|--------|---------------------------|--|
| 1      | Mr. Harshwardhan M.Koshal | Independent and Non-Executive Chairman       |
| 2      | Mr G.D.Binnani            | Non Executive                                |
| 3      | Mr. Sudhir Kumar Agarwal  | Non Executive                                |
| 4      | Mr. Shalabh Mittal        | Non Executive                                |
| 5      | Mr. Neeraj Mishra         | Independent                                  |
| 6      | Mr. Kapil Mohan Garg      | Managing Director(resigned w.e.f 11.06.2008) |

(\*) Mr. Rajeev Garg appointed as an Additional Director w.e.f. 11<sup>th</sup> June, 2008.

### **Attendance of each director at Board Meetings and the last AGM**

During the year the board of directors met 6 times on the attendance and composition and category of directors are as follows:

| Name of the Director                                   | Attendance Particulars |         |          | Committee memberships/Chairmanships in our Company. |               | Number of other Directorships & Committee memberships |
|--|------------------------|---------|----------|---|---------------|---|
|  | Board Meeting          |         | Last AGM | Memberships   | Chairmanships | Directorships   |
|  | Held                   | Present |          |   |               |   |
| Mr Shalabh Mittal                                      | 6                      | 4       | yes      | 1   | Nil           | Nil   |
| Mr Sudhir Kumar Agarwal                                | 6                      | 6       | Yes      | 1   | Nil           | 3   |
| Mr Neeraj Mishra                                       | 6                      | 6       | Yes      | 2   | Nil           | Nil   |
| Mr.G.D Binnani   | 6                      | 4       | Yes      | Nil   | 1             | 2   |
| Mr H M Koshal  | 6                      | 6       | Yes      | Nil   | 1             | 1   |
| Mr. Kapil Mohan Garg                                   | 6                      | 6       | Yes      | Nil   | Nil           | Nil   |
| Rajeev Garg (appointed on 11 <sup>th</sup> June, 2008) | -                      | -       | NO       | Nil   | Nil           | Nil   |

### **III. COMMITTEES OF THE BOARD**

#### **a) Audit Committee**

The Audit Committee has been constituted as per section 292A of the companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges.

The composition of the Audit Committee is as under:

|                        |  |
|------------------------|--|
| Mr. H.M. Koshal        | Chairman (Independent & Non-Executive) |
| Mr. Neeraj Mishra      | Member                                 |
| Mr. Sudhir K. Agarwal. | Member                                 |

Four meetings of committee were held during the year on 30/4/2007, 21/07/2007, 31/10/2007, and on 30/01/2008. All the members of the committee were present in the meetings held during there respective tenure.

The Audit Committee of the Company, *inter-alia*, provides assurance to the Board on the existence and adequacy of effective internal control systems. Brief description of the terms of reference to the Audit Committee: -

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- Reviewing and recommending the appointment and removal of managerial personnel, fixation of remuneration and also approval for

payment for any other services as recommended by the Remuneration Committee.

- d) Reviewing with management of the annual financial statements before submission to the board, focusing primarily on:
- e) Any changes in accounting policies and practice.
- f) Major accounting entries based on exercise of judgment by management.
- g) Qualifications in draft audit report.
- h) Significant adjustments arising out of audit.
- i) The going concern assumption.
- j) Compliance with accounting standard.
- k) Any related party transactions of the company of material nature, with Promoters or the management, their subsidiaries or relatives etc. that May have potential conflict with the interests of Company at large.
- l) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- m) Reviewing the adequacy of internal audit functions.
- n) Discussion with internal auditors on any significant findings and follow-up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion, with external auditors before the audit commences, of nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- q) Reviewing the Company's financial and risk management Policies.
- r) To look into the reasons for substantial defaults in the payment to the creditors.
- s) To consider and review any other matter as may be directed by the Board.

#### **b) INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE**

The Company has formed the Shareholders Grievances / Share Transfer Committee, constituted by the Board, to approve inter- alias transfer / transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matter including Shareholders Complaints and grievances. The Committee also reviews the periodicity and effectiveness of the Share transfer process, statutory certifications and depository related issues and activities of the Registrar and Transfer Agent.

The composition of the Audit Committee is as under:

|                    |          |
|--------------------|----------|
| Mr. G.D.Binnani    | Chairman |
| Mr. Neeraj Mishra  | Member   |
| Mr. Shalabh mittal | Member   |

Four Meetings of Committee were held on during the year on 30/4/2007, 21/07/2007, 31/10/2007, and on 30/01/2008. All the members of the

committee were present in the meetings held during there respective tenure.

The Minutes of the Committee Meeting are placed at the Board meeting from time to time. The Board has authorized the Share transfer Committee and the Company Secretary severally to approve the transfer of shares. During the year, all the Complaints of the Shareholders were resolved to the satisfaction of the shareholders.

#### **IV. COMPLIANCE OFFICER OF THE COMPANY**

Gurdeep Kaur, Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.

#### **V. GENERAL BODY MEETING: -**

##### **a) GENERAL MEETINGS**

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

| <b>AGM</b>           | <b>Financial Year</b> | <b>Date</b> | <b>Time</b> | <b>Location</b>  |
|----------------------|-----------------------|-------------|-------------|--|
| 15 <sup>th</sup> AGM | 2006-2007             | 29.09.2007  | 10.00AM     | Community Center, Khera Garhi, Alipur Block, Delhi -110082 |
| 14 <sup>th</sup> AGM | 2005-2006             | 29.09.2006  | 10.00AM     | Community Center, Khera Garhi, Alipur Block, Delhi -110082 |
| 13 <sup>th</sup> AGM | 2004-2005             | 30.09.2005  | 10.00AM     | Community Center, Khera Garhi, Alipur Block, Delhi -110082 |

##### **b) POSTAL BALLOT**

No resolutions were passed by postal ballot during the year ended 31<sup>st</sup> March 2008.

##### **c) SPECIAL RESOLUTION:**

No special resolution was passed.

#### **VI. CODE OF CONDUCT**

The Company is committed to conduct business in accordance with the highest standards of business ethics and complying with applicable laws; rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with risks involved.

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

## VII. DISCLOSURES

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in Annexure to the Notes to Accounts. These are not in conflict with the interest of the Company in view of the following:

- a) All details relating to financial and commercial transactions wherein Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.
- b) These are at prices which are reasonable, having regard to the prevailing market prices at the relevant time.

The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges. There has not been any non-compliance and penalty; stricture has been imposed on the company during the last three years by SEBI or Stock Exchanges and fully complied with all the mandatory requirements of Clause 49.

## VIII. MEANS OF COMMUNICATION

Quarterly Results are published in prominent daily newspaper Hari Bhomi (Hindi) and The Pioneer (English) in Delhi editions. Management Discussions and Analysis Forms part of the Annual Report in a separate section. The Company has not made any formal presentation to the Institutional Investors during the year.

## IX. GENERAL SHAREHOLDER INFORMATION

|   |   |
|---|---|
| <b>Financial Year</b>                         | 1 <sup>st</sup> April 2007 to 31 <sup>st</sup> March 2008   |
| <b>16<sup>th</sup> Annual General Meeting</b> | On Saturday , 29 <sup>th</sup> September, 2008<br>at 10.00 Am at Community Centre<br>Khera Garhi , Alipur Block Delhi<br>110082 |
| <b>Financial Calendar</b>                     |   |
| Financial Year                                | 1 <sup>st</sup> April to 31 <sup>st</sup> March   |
| 1 <sup>st</sup> Quarterly Results             | End July 2007   |
| 2 <sup>nd</sup> Quarterly Results             | End October 2007  |
| 3 <sup>rd</sup> Quarterly Results             | End January 2008  |
| 4 <sup>th</sup> Quarterly Results             | End April 2008  |
| <b>Date of Book Closure</b>                   | 22 <sup>nd</sup> September, 2008 to 29 <sup>th</sup><br>September, 2008 (both days inclusive)                                   |
| <b>Dividend Date</b>                          | Not Applicable  |

## Listing on Stock Exchange

Trading in the Equity shares of the company restarted at Bombay Stock Exchange w.e.f. 10<sup>th</sup> January, 2008, and after re-listing of shares, during the year 2007-2008, the high and low prices of shares on Bombay Stock Exchange are as follows:

### STOCK MARKET DATA (YEAR 2007-2008)

| Month          | High  | Low  |
|----------------|-------|------|
| January, 2008  | 12.72 | 5.97 |
| February, 2008 | 5.68  | 3.21 |
| March, 2008    | 3.38  | 2.15 |

## X. REGISTRAR AND SHARE TRANSFER AGENT

### M/s SKYLINE FINANCIAL SERVICES LIMITED

Unit: Svam Software Ltd

123, Vinoba Puri, Lajpat Nagar-II, New Delhi -110024

Telephone No: 011-29833777, 29847136

E-mail Address: agarwalp7@hotmail.com

## XI. SHARE TRANSFER SYSTEM

The Board of Directors have delegated the authority for approving transfers, transmission to Registrar and Transfer Agents. Share transfers are registered within maximum of 30 days from the date of lodgement of the documents which are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

The company obtains from the Company Secretary in Practice a half yearly certificate of compliance for compliance of the share transfer formalities, as required under Clause 47 of the Listing Agreement and file copy of the certificate with stock exchanges.

## XII. SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2008.

### a. Distribution of Shareholding as on March 31, 2008

| No of Shares | No of Shareholders | % to total | No of Shares held | % to total |
|--------------|--------------------|------------|-------------------|------------|
| 0-5000       | 30365              | 89.03      | 52436580          | 31.05      |
| 5001 -10000  | 2251               | 6.60       | 18532250          | 10.97      |
| 10001-20000  | 764                | 2.24       | 11971540          | 7.09       |
| 20001-30000  | 252                | .74        | 6499930           | 3.85       |
| 30001-40000  | 102                | 0.30       | 3633520           | 2.15       |

|                |     |      |          |       |
|----------------|-----|------|----------|-------|
| 40001- 50000   | 117 | 0.34 | 5625360  | 3.33  |
| 50001-100000   | 166 | 0.49 | 12890890 | 7.63  |
| 100001 & above | 88  | 0.26 | 57299930 | 33.93 |

**b. Category of shareholders as on March 31, 2008**

| Category   | No. of Shares    | Percentage of holdings |
|--|------------------|------------------------|
| <b>A. Promoters Holding</b>  |                  |                        |
| i) Promoters   |                  |                        |
| a. Indian-individual   | 24,42,600        | 14.46%                 |
| b. Foreign   | Nil              | Nil                    |
| ii) Persons acting in concert  |                  |                        |
| a. Directors   | Nil              | Nil                    |
| b. Director's Relatives  | Nil              | Nil                    |
| <b>Sub Total (A)</b>   | <b>24,42,600</b> | <b>14.46%</b>          |
| <b>B. Public Holding</b>   |                  |                        |
| i) Institutional Investor  |                  |                        |
| a) Mutual Fund   | 4000             | .02%                   |
| b) Financial institutions/Banks  | 3100             | .02%                   |
| c) Central Govt./State Govt.(s)  | Nil              | Nil                    |
| d) Venture capital fund/Ins.Cos,   | Nil              | Nil                    |
| e) FII Ect   | Nil              | Nil                    |
| <b>Sub Total (B)(i)</b>  | <b>7100</b>      | <b>0.04%</b>           |
| ii) Non-Institutions Investors   |                  |                        |
| a) Bodies Corporate  | 1309891          | 7.76%                  |
| b) Individuals   |                  |                        |
| i)shareholding < Rs.1.00 Lac   | 10151504         | 60.11%                 |
| ii) shareholding > Rs.1.00 Lac   | 2277905          | 13.49%                 |
| c) NRI   | 692300           | 4.10%                  |
| i) Clearing House  | 1100             | 0.01                   |
| ii) Corporate Body- OCB  | 6600             | 0.04                   |
| iii)Intermediary/Other   | 0.00             | 0.00                   |
| Depository A/c   |                  |                        |
| <b>Sub Total (B)(ii)</b>   | <b>14439300</b>  | <b>85.50%</b>          |
| <b>Sub Total (B)</b>   | <b>14446400</b>  | <b>85.54%</b>          |
| <b>Grand Total (A+B)</b>   | <b>16889000</b>  | <b>100%</b>            |
| <b>Shares held by custodian and against which Depository Receipt is issued</b> | <b>Nil</b>       | <b>NIL</b>             |

**DEMATRIALISATION OF SHARES**

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd (NSDL) and Central Depository Services (I) Ltd (CDSL). As on 31<sup>st</sup> March, 2008 the equity shares have been dematerialized are 72.38%.

### **XIII. INVESTORS CORRESPONDENCE**

Investors may address any correspondence to:

**Svam Software Ltd**  
**S-524, Vikas Marg**  
**Shakarpur**  
**Delhi-110092.**

### **CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT**

In terms of clause 49 of the Listing Agreement, it is certified as under that:

- (a) The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief :
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the years which are fraudulent, illegal or violative of the Company.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We had indicated to the Auditors and the Audit Committee :
  - (i) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Place: Delhi**  
**Dated: 07/08/2008**

  
**(RAJEEV GARG)**  
**MANAGING DIRECTOR**

  
**(NEERAJ MISHRA)**  
**DIRECTOR**

## **AUDITOR CERTIFICATION ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF SVAM SOFTWARE LIMITED**

We have examined the compliance of conditions of Corporate Governance by Svam Software Limited, for the year ended on March' 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.



**For: Padam Dinesh & Co.  
Chartered Accountants**

A handwritten signature in black ink, appearing to read "Dinesh Chandra Agarwal", written over a horizontal line.

**(C.A. DINESH CHANDRA AGARWAL)  
(Partner)**

**Membership No.86138**

**Place : Delhi  
Date : 07.08.2008**

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER**

To the best of knowledge and belief, we certify that:

- 1) We have reviewed financial statement and the cash flow statement for the period ended 31.03.2008 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transaction entered into by the company during the period, which is fraudulent, illegal or violative of the company's code of conduct.
- 3) Further, we accept responsibility to establish and maintain internal controls for financial reporting and Accordingly, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, wherever applicable:
  - a) Deficiencies in the design or operation of the internal controls, if any of which we are aware and the steps have been taken or propose to take rectify these deficiencies.
  - b) Significant changes in the internal control over the financial reporting during the period;
  - c) Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
  - d) Instances of significant fraud of which we came to know and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**For and On behalf of the Board of Directors**

Place: Delhi  
Dated : 07/08/2008

**(RAJEEV GARG)**  
Managing Director

## **DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)**

I, Rajeev Garg, Managing Director of **Svam Software Limited** hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31<sup>st</sup> March, 2008 compliance with the code of conduct of the company laid down by them.

**For and On behalf of the Board of Directors**

Place: Delhi  
Dated : 07/08/2008

  
**(RAJEEV GARG)**  
Managing Director

# **SVAM SOFTWARE LIMITED**

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **BUSINESS SCENARIO**

The Business segment in which your Company operate is software development and software trade. The said business is very unpredictable. Despite the recent slowdown in the software sector, this remains a fast growing area of the Indian economy. The Company is also endeavouring to expend the area of its business of software as well as of infrastructure.

Today IT touches every aspect of business, connecting customers, suppliers, and partners around the globe. Your Company is mainly into software Trade and software development. Your Company is focusing on software trade as prime area for future sustainability and growth.

### **SEGEMENT WISE PERFORMANCE**

The performance of the Company during the year under review has been encouraging. You will be pleased to note that during the year Company has achieved turnover of Rs. 1175.41 and after tax profits of Rs 18.61 lakhs as Against Turnover of Rs. 906.28 lakhs and after tax profits of Rs. 49 .30 lakhs in the corresponding previous year.

### **MANAGEMENT OF RISK**

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

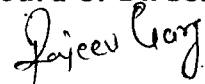
### **INTERNAL CONTROLS & SYSTEMS**

The company ensures existence of adequate internal control through policy and procedures to be followed by the executives at various levels in the company. The operating managers ensure compliance within their areas. The Company has internal Audit system to carry out extensive checking and test and report non-compliance/weakness, if any through internal Audit Reports on the respective areas .These reports along with reports on compliance made thereafter are reviewed by the Audit Committee of the Board.

### **HUMAN RESOURCE**

Management relation with the employees remains cordial. The Company's Human Resources philosophy is to establish and build a strong performance and competency drive culture with greater senses of accountability and responsibility. The industrial relations scenario remained peaceful and harmonious.

**For and On behalf of the Board of Directors**



Place: Delhi  
Dated : 07/08/2008

**(RAJEEV GARG)**  
Managing Director



*Padam Dinesh & Co.*

Chartered Accountants

11/6-B, IInd Floor, Shanti Chambers,  
Pusa Road, New Delhi - 110 005

To  
The Shareholders  
SVAM SOFTWARE LIMITED

Sub: Auditors Report  
Year Ended on 31.03.2008  
-----

Sirs,

We have audited the attached Balance Sheet of SVAM SOFTWARE LIMITED as at 31st March 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto and report that these financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditors' Report) order 2003, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we *enclose* in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 3 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 books of account, as required by law have been kept by the Company so far as appears from our examination of such books:
  - c) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of accounts and returns.

In our opinion, the profit & loss account and balance sheet comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of companies Act, 1956.

Svam TAR08



e) On the basis of our examination of books and according to the information and explanations given to us, no material observations have been noticed during our audit which have any adverse effect on the functioning of the company as referred to in section 227(3)(e) of the companies act.

f) On the basis of written representation received from the directors of the company as on 31.03.2008, we report that none of the directors of the company is disqualified from being appointed as director under clause (g) of sub section 1 of section 274 of the companies act as referred to in section 227(3)(f) of the companies act, 1956.

3. In our opinion, and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account read together with the significant accounting policies and other notes thereon give the information required by the companies act, 1956 in the manner so required and give true and fair view: -

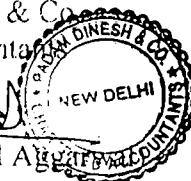
i) In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2008 and ;

ii) In so far as it relates to the Profit & Loss Account, of the profit of the company for the year ended on that date.

iii) In so far as it relates to the Cash Flow Statement, of the cash flow for the year ended on that date.

For Padam Dinesh & Co.  
Chartered Accountants

(CA Dinesh Chand Aggarwal)  
Partner  
M.NO. 86138



Place: New Delhi  
Date : 07.08.2008

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ANNEXURE: (Referred to in paragraph 3 of our audit report of even date)

(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

-Yes-

(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

-Yes; No discrepancies Noticed-

(c) If a substantial part of fixed assets have been disposed of during the year whether it has affected the going concern;

-N.A.-

(ii) (a) Whether the physical verification of inventory has been conducted at reasonable intervals by the management.

-Yes.-

(b) Are the procedure of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of business – If not, the inadequacies in such procedures should be reported;

-Yes-, No Inadequacies Noticed

(c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;

-Yes.-, No material discrepancies noticed

(iii) (a) has the company either *granted* any loans, secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the Act, if so, give the number of parties and amount involved in the transaction;

-NO-

(b) Whether the rate of interest and other terms and conditions of loans given by the company, secured or unsecured are prima facie prejudicial to the interest of the company;

-N.A.

(c) Whether payment of the principal amount and interest are also regular;

-N.A.

(d) If overdue amount is more than one lakh whether reasonable steps have been taken by the company for recovery / payment of the principal and interest;

-N.A.-

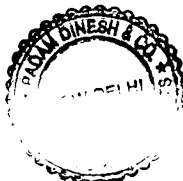
(e) Has the company either *taken* any loans, secured or unsecured from companies firms or other parties covered in the register maintained under section 301 of the Act, if so, give the number of parties and amount involved in the transaction;

-NO-

(f) Whether the rate of interest and other terms and conditions of loans taken by the company, secured or unsecured are prima facie prejudicial to the interest of the company;

-N.A.-

Svam TAR08



(g) Whether payment of the principal amount and interest are also regular.

-N.A.-

(iv) Is there an adequate internal control procedure commensurate with the size of the company and nature of its business, for the purpose of the inventory and fixed assets and for the sale of goods. Whether there is a continuing failure to correct major weakness in internal control;

-Yes, No major weakness-

(v) (a) Whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;

-YES-

(b) Whether each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;

-Yes Wherever Applicable-

**(This information is required only in case of transactions exceeding the value of five lakh rupees in respect of any party and in any one financial year);**

(vi) In case the company has accepted deposits from the public, whether the directives issued by the Reserve bank of India and provision section 58A and 58AA of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by the company Law Board whether the same has been complied with or not?

-No public deposit accepted-

(vii) In the case of listed companies and or other companies having a paid up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial year immediately preceding the financial year concerned, whether by the company has as internal audit system commensurate with its size and nature of its business;

-YES-

(viii) Where maintenance of cost record has been prescribed by the central government under clause (d) of sub section (1) of section 209 of the Act, whether such account and records have been made and maintenance

-N.A.-

(ix) (a) Is the company regular in depositing undisputed statutory dues including Provident Fund, investor Education and Protection Fund, Employee's State insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six month from the date they become payable, shall be indicated by the auditor;

-Yes-, No arrears of undisputed statutory dues-

(b) In case dues of sales tax, Income Tax, Sale Tax, Wealth Tax, Excise Duty / cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned.

N.A.-

(A mere representation to the department shall not constitute the dispute);

(x) Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty percent of its net worth and whether

Svam TAR08



it has incurred cash losses in such financial year and in the financial year immediately preceding such financial year .

-Accumulated losses of the company are not more than 50% of its net worth.

-No Cash losses incurred in current financial year and in the preceding financial year.

(xi) Whether the company has defaulted of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;

-NO-

(xii) Whether adequate documents and records are maintained in cases where the company has granted loans and advance on the basis of security by way of shares, debentures and other securities; if not, the deficiencies to be pointed out.

-Yes Wherever applicable-

(xiii) Whether the provision of any special statute applicable to chit fund has been duly complied with? In respect of nidhi / mutual benefit fund / societies:

-N.A.-

(a) Whether the Net – owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet;

(b) Whether the company has complied with the prudential norms on income recognition and provisioning against sub standard/ default/ loss assets;

(c ) Whether the company has adequate procedures for appraisal of credit proposals/ requests, repayment capacity of the borrower and would be conducive to recovery of the loan amount;

(d) Whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower.

(xiv) If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also Whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act;

-N.A.-

(xv) Whether the company has given any guarantee for loan taken by others from bank or financial institutions, the terms and condition where of are prejudicial to the interest of the company;

-N.A.-

(xvi) Whether term loans were applied for the purpose for which the loans were obtained;

-NA.-

(xvii) Whether the funds raised on short terms basis have been used for long term investment and vice versa, the nature and amount is to be indicated;

-N.A.-

(xviii) Whether the company has made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, and if so whether the prices at which shares have been issued is prejudicial to the interest of the company;

-N.A.-

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**SVAM SOFTWARE LIMITED**

REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092

**BALANCE SHEET AS ON 31ST MARCH, 2008**

| PARTICULARS   | SCH. NO | AMOUNT (Rs.)<br>AS AT 31.03.2008 | AMOUNT (Rs.) AS<br>AT 31.03.2007 |
|---|---------|----------------------------------|----------------------------------|
| <b>SOURCES OF FUNDS</b>   |         |                                  |                                  |
| <b>Shareholders Funds</b>   |         |                                  |                                  |
| Capital   | 1       | 168,890,000                      | 168,890,000                      |
| Reserve & Surplus   | 2       | 37,548,000                       | 37,548,000                       |
| <b>Loan Funds</b>   |         |                                  |                                  |
| Secured Loans   |         | Nil                              | Nil                              |
| Unsecured Loans   |         | Nil                              | Nil                              |
| <b>TOTAL</b>  |         | <b>206,438,000</b>               | <b>206,438,000</b>               |
| <b>APPLICATION OF FUNDS</b>   |         |                                  |                                  |
| <b>Fixed Assets</b>   | 4       |                                  |                                  |
| Gross Block   |         | 30,184,252                       | 30,063,173                       |
| Less: Depreciation  |         | 25,021,732                       | 21,604,394                       |
| Net Block   |         | 5,162,520                        | 8,458,779                        |
| Investments   | 5       | 7,310                            | -                                |
| <b>Current Assets, Loans &amp; Advances</b>                                 |         |                                  |                                  |
| Stock in hand   | 6       | 4,950,000                        | 342,000                          |
| Sundry Debtors  | 7       | 48,000,464                       | 66,048,568                       |
| Cash & Bank Balances  | 8       | 4,193,018                        | 8,263,235                        |
| Loans & Advances  | 9       | 143,269,955                      | 121,312,334                      |
|   |         | 200,413,438                      | 195,966,137                      |
| Less: Current Liabilities & Provisions                                      | 3       | 16,596,727                       | 18,157,129                       |
| Net Current Assets  |         | 183,816,711                      | 177,809,008                      |
| Deferred Tax Assets (Net)   |         | 3,081,732                        | 3,938,778                        |
| <b>Miscellaneous Expenditure</b><br>( To the extent not w/off or adjusted ) |         |                                  |                                  |
| Profit & Loss Account   | 10      | 14,369,727                       | 16,231,435                       |
| <b>TOTAL</b>  |         | <b>206,438,000</b>               | <b>206,438,000</b>               |

SIGNIFICANT ACCOUNTING POLICIES &  
NOTES ON ACCOUNTS

13

IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE ATTACHED

for and on behalf of the Board

For M/s PADAM DINESH & CO.  
CHARTERED ACCOUNTANTS(CA. DINESH CHANDRA AGGARWAL)  
PARTNER  
M.NO. 86138

DIRECTOR DIRECTOR COMPANY SECRETARY

PLACE : NEW DELHI  
DATED : 27.3.2008

**SVAM SOFTWARE LIMITED****REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008**

| PARTICULARS                                | SCH. NO. | Amount (Rs.)     | Amount (Rs.)     |
|--|----------|------------------|------------------|
|  |          | As at 31.03.2008 | As at 31.03.2007 |
| <b>INCOME</b>                              |          |                  |                  |
| SALES                                      |          | 85,360,760       | 17,062,500       |
| SOFTWARE DEVELOPMENT & SERVICES            |          | 28,978,000       | 70,978,026       |
| INTEREST RECD. & OTHER INCOME              |          | 3,202,497        | 2,565,095        |
| PROFIT ON SALE OF SHARES                   |          | -                | 23,000           |
|  |          | 117,541,257      | 90,628,621       |
| <b>EXPENDITURE</b>                         |          |                  |                  |
| COST OF SALES                              |          | 80,797,000       | 17,105,500       |
| COST OF SOFTWARE DEVELOPMENT & SERVICES    |          | 26,980,522       | 59,823,188       |
| MANUFACTURING & ADMINISTRATIVE EXP         | 11       | 3,468,935        | 2,933,199        |
| SELLING & DISTRIBUTION EXPENSES            | 12       | 20,298           | 20,559           |
| INTEREST & BANK CHARGES                    |          | 9,411            | 12,157           |
|  |          | 111,276,166      | 79,894,603       |
| PROFIT BEFORE DEPRECIATION & TAX           |          | 6,265,091        | 10,734,018       |
| LESS: DEPRECIATION                         |          | 3,417,337        | 3,430,999        |
| LESS: PROVISION FOR FBT                    |          | 24,000           | 19,000           |
| PROFIT BEFORE TAX                          |          | 2,823,754        | 7,284,019        |
| LESS: INCOME TAX RELATING TO EARLIER YEARS |          | -                | 69,443           |
| LESS: FBT EARLIER YEARS                    |          | -                | 13,291           |
| LESS: PROVISION FOR I.TAX                  |          | 105,000          | -                |
| LESS: DECREASE IN DEFERRED TAX ASSETS      |          | 857,046          | 2,271,231        |
| PROFIT AFTER TAX                           |          | 1,861,708        | 4,930,054        |

SIGNIFICANT ACCOUNTING POLICIES &  
NOTES ON ACCOUNTS

13

IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE ATTACHED

for and on behalf of the Board

For M/s PADAM DINESH & CO.  
CHARTERED ACCOUNTANTS

MG. DIRECTOR DIRECTOR DIRECTOR COMPANY SECRETARY

(CA. DINESH CHANDRA AGGARWAL)  
PARTNER  
M.NO. 86138PLACE : DELHI  
DATE : 07.04.2008

**SVAM SOFTWARE LIMITED****REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092****SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

| PARTICULARS   | AMOUNT (Rs.) AS AT<br>31.03.2008 | AMOUNT (Rs.) AS AT<br>31.03.2007 |
|---|----------------------------------|----------------------------------|
| <b>SCHEDULE- 1</b>  |                                  |                                  |
| <b>CAPITAL</b>  |                                  |                                  |
| <b>Authorised Capital</b>   |                                  |                                  |
| 3,00,00,000 EQUITY SHARES OF RS.10/- EACH   | 300,000,000                      | 300,000,000                      |
| <b>Issued, Subscribed and paid up Capital</b>   |                                  |                                  |
| Equity Shares 1,68,89,000 of Rs. 10/- each<br>fully paid up in cash (Last year also 1,68,89,000 Nos.) | 168,890,000                      | 168,890,000                      |
|   | <b>168,890,000</b>               | <b>168,890,000</b>               |

**SCHEDULE- 2**  
**RESERVE & SURPLUS**

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| CAPITAL RESERVE | 233,000           | 233,000           |
| SHARE PREMIUM   | 37,315,000        | 37,315,000        |
|                 | <b>37,548,000</b> | <b>37,548,000</b> |

**SCHEDULE- 3****CURRENT LIABILITIES & PROVISIONS**

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| SUNDRY CREDITORS                 | 16,199,642        | 17,819,304        |
| OTHER LIABILITIES                | 268,085           | 273,825           |
| PROVISION FOR GRATUITY           | -                 | 45,000            |
| PROVISION FOR FRINGE BENEFIT TAX | 24,000            | 19,000            |
| PROVISION FOR INCOME TAX         | 105,000           | -                 |
|                                  | <b>16,596,727</b> | <b>18,157,129</b> |

**SVAM SOFTWARE LIMITED****REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092**

| PARTICULARS                                   | AMOUNT (Rs.) AS AT<br>31.03.2008 | AMOUNT (RS.) AS AT<br>31.03.2007 |
|---|----------------------------------|----------------------------------|
| <b>SCHEDULE- 5</b>                            |                                  |                                  |
| <b>INVESTMENTS</b>                            |                                  |                                  |
| <b>QUOTED AT COST</b>                         |                                  |                                  |
| <b>A. EQUITY SHARES</b>                       |                                  |                                  |
| LIANCE POWER<br>(17 SHARES OF RS. 430/- EACH) | 7,310                            | -                                |
|   | <b>7,310</b>                     | <b>-</b>                         |

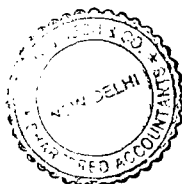


**SVAM SOFTWARE LIMITED.**

REG. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092

**Schedule of Fixed Assets & Depreciation as per Books (Companies Act ) as on 31.03.2008**

| SCHEDULE - 4 |                     |              |                     |          |       |                               |                            |                            |                                |                   |                   |
|--------------|---------------------|--------------|---------------------|----------|-------|-------------------------------|----------------------------|----------------------------|--------------------------------|-------------------|-------------------|
| SL. NO       | NAME OF ASSETS      | RATE OF DEP. | GROSS BLOCK         |          |       |                               | (SLM) DEPRECIATION BLOCK   |                            |                                | NET BLOCK         |                   |
|              |                     |              | AS ON<br>01.04.2007 | ADDITION | SALES | TOTAL<br>AS ON<br>ON 31.03.08 | DEP.<br>UP TO<br>1.04.2007 | DEP.<br>DURING THE<br>YEAR | TOTAL DEP.<br>UPTO<br>31.03.08 | AS ON<br>31.03.08 | AS ON<br>31.03.07 |
| 1            | PLANT & MACHINERY   | 4.75%        | 5102078             | 0        | 0     | 5102078                       | 2786002                    | 242349                     | 3028351                        | 2073727           | 2316076           |
| 2            | FURNITURE & FIXTURE | 6.33%        | 4848296             | 0        | 0     | 4848296                       | 3673600                    | 306897                     | 3980497                        | 867799            | 1174696           |
| 3            | OFFICE EQUIPMENT    | 4.75%        | 1062505             | 0        | 0     | 1062505                       | 677464                     | 50469                      | 727933                         | 334572            | 385041            |
| 4            | VEHICLE             | 9.5%         | 3800060             | 0        | 0     | 3800060                       | 2911241                    | 359018                     | 3270259                        | 529801            | 888819            |
| 5            | COMPUTER & PRINTER  | 16.21%       | 12625608            | 121078   | 0     | 12746686                      | 9545428                    | 2033200                    | 11578628                       | 1168058           | 3080180           |
| 6            | COMPUTER SOFTWARES  | 16.21%       | 2624627             | 0        | 0     | 2624627                       | 2010658                    | 425406                     | 2436064                        | 188563            | 613969            |
|              | TOTAL               |              | <b>30063174</b>     | 121078   | 0     | <b>30184252</b>               | <b>21604393</b>            | <b>3417339</b>             | <b>25021732</b>                | <b>5162520</b>    | <b>8458781</b>    |
| Last year    |                     |              | 30063174            | 0        | 0     | 30063174                      | 18173394                   | 3430999                    | 21604394                       | 8458780           | 11889779          |



**SVAM SOFTWARE LIMITED**

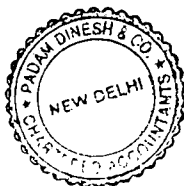
REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092

| PARTICULARS   | AMOUNT (Rs.) As at<br>31.03.2008 | AMOUNT (Rs.) As at<br>31.03.2007 |
|---|----------------------------------|----------------------------------|
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>                                   |                                  |                                  |
| <b>SCHEDULE-6</b>   |                                  |                                  |
| <b>STOCK IN TRADES</b>  |                                  |                                  |
| (VALUED AT COST OR NET REALISABLE VALUE<br>WHICHEVER IS LESS)                 | 4,950,000                        | 342,000                          |
| <b>SCHEDULE-7</b>   | 4,950,000                        | 342,000                          |
| <b>SUNDRY DEBTORS</b>   |                                  |                                  |
| (i) MORE THAN 6 MONTHS  | 42,760,686                       | 64,211,928                       |
| (ii) OTHERS   | 5,239,778                        | 1,836,640                        |
|   | 48,000,464                       | 66,048,568                       |
| LESS : PROVISION FOR DOUBTFUL DEBTS   | -                                | -                                |
|   | 48,000,464                       | 66,048,568                       |
| <b>SCHEDULE-8</b>   |                                  |                                  |
| <b>CASH &amp; BANK BALANCES</b>   |                                  |                                  |
| CASH IN HAND  | 569,487                          | 1,988,334                        |
| BALANCE IN CURRENT ACCOUNTS WITH SCH. BANK                                    |                                  |                                  |
| IN CURRENT ACCOUNTS   | 351,640                          | 616,777                          |
| IN FIXED DEPOSITS   | 107,122                          | 107,122                          |
|   | 4,193,018                        | 8,263,235                        |
| <b>SCHEDULE-9</b>   |                                  |                                  |
| <b>LOANS &amp; ADVANCES</b>   |                                  |                                  |
| (UNSECURED CONSIDERED GOOD)   |                                  |                                  |
| a- ADVANCES RECOVERABLE IN CASH OR IN KIND<br>OR FOR THE VALUE TO BE RECEIVED | 138,654,186                      | 118,099,595                      |
| b-TAX DEDUCTED AT SOURCE F.Y. 06-07   | 3,191,873                        | 3,210,873                        |
| c-TAX DEDUCTED AT SOURCE F.Y. 07-08   | 1,356,348                        |                                  |
| c- SERVICE TAX  | 67,548                           | 1,866                            |
|   | 143,269,955                      | 121,312,334                      |
| <b>SCHEDULE-10</b>  |                                  |                                  |
| <b>PROFIT &amp; LOSS ACCOUNT</b>  |                                  |                                  |
| ACCUMULATED LOSSES  | 16,231,435                       | 67,660,904                       |
| LESS : NET PROFIT DURING THE YEAR   | 1,861,708                        | 4,930,053                        |
| LESS: PROVISION NO LONGER REQUIRED  | -                                | 46,499,416                       |
|   | 14,369,727                       | 16,231,435                       |



**SVAM SOFTWARE LIMITED****REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092**

| PARTICULARS   | AMOUNT (Rs.) AS AT<br>31.03.2008 | AMOUNT (Rs.) AS AT<br>31.03.2007 |
|---|----------------------------------|----------------------------------|
| <b><u>SCHEDULE- 11</u></b>                              |                                  |                                  |
| <b><u>MANUFACTURING AND ADMINISTRATIVE EXPENSES</u></b> |                                  |                                  |
| FEE & SUBSCRIPTION                                      | 390,000                          | 52,600                           |
| PERSONNEL EXPENSES                                      | 1,648,977                        | 1,405,892                        |
| PRINTING & STATIONERY                                   | 477,946                          | 428,035                          |
| COURIER, POSTAGE & TELEPHONE                            | 290,962                          | 257,185                          |
| TRAVELLING & CONVEYANCE                                 | 85,839                           | 53,493                           |
| CAR RUNNING & MAINT. EXP.                               | 51,900                           | -                                |
| RENT, RATES & INSURANCE                                 | 108,000                          | 181,313                          |
| LEGAL & PROFESSIONAL CHARGES                            | 35,000                           | 41,612                           |
| AUDITOR'S REMUNERATION                                  | 40,000                           | 44,944                           |
| ELECTRICITY EXPENSES                                    | 51,200                           | 46,840                           |
| DEPOSITORY CHARGES                                      | 61,303                           | 104,070                          |
| INTEREST ON LATE DEPOSIT OF TDS                         | 1,584                            | 21,700                           |
| GENERAL EXPENSES  | 8,950                            | 5,364                            |
| AGM/EGM & SHARES TRANSFER EXPENSES                      | 217,274                          | 290,151                          |
|   | 3,468,935                        | 2,933,199                        |
| <b><u>SCHEDULE- 12</u></b>                              |                                  |                                  |
| <b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>       |                                  |                                  |
| ADVERTISEMENT EXPENSES                                  | 20,298                           | 20,559                           |
|   | 20,298                           | 20,559                           |



**M/S SVAM SOFTWARE LIMITED**

**S-524, VIKAS MARG, SHAKARPUR, DELHI-110092**

**SCHEDULE-13**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

**Y.E. 31.03.2008**

**ACCOUNTING POLICIES:**

**1. Basis of preparation of Financial statements :**

(i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. There is no change in the accounting policies as compared to the preceding year.

(ii) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis, if determinable.

**ACCOUNTING NOTES:**

2. The Company is engaged in the business of trading & development of Software packages.

**3. Fixed Assets:**

Fixed Assets are stated at their original cost less depreciation. Cost includes duties, taxes and expenses incidental to acquisition and installation.

**4. Depreciation:**

(i) In respect of Fixed Assets, depreciation is provided Block wise on Straight Line Method in accordance with the provisions of schedule XIV of the Companies Act, 1956. The assets purchased up to 30<sup>th</sup> September of the year are charged full year depreciation and those purchased after 30<sup>th</sup> September are charged half year depreciation.

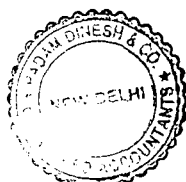
**5. Inventory:**

Inventory of closing stocks held by the concern is valued at lower of the cost price or net realizable value. Cost is determined on FIFO Method. Cost comprises all cost of conversion and other costs incurred in bringing the inventories to their present location & condition.

**6. Cash Flow Statement :**

a) The statement has been prepared under indirect method except in case of dividends, sale / purchase of investments and taxes which have been considered on the basis of actual movement of case, with corresponding adjustments in assets and liabilities as set out in the according standard 3 issued by ICAI.

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b) Cash and Cash equivalents represent cash and bank balances only.

## 7. Foreign Currency Transactions

Foreign currency transactions have been translated at exchange rate prevailing on the date of transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are reported using the closing rates.

Exchange differences arises on foreign currency transaction are recognized as income or expense in the profit & loss account.

## 9. Deferred Tax:

a). The company has accounted for deferred tax in accordance with the Accounting Standard 22 "Accounting for taxes on income" issued by Council of ICAI. Accordingly, deferred tax for the year is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

b). Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

c) Tax on income for the current period is determined on the basis of taxable income and applicable tax rate computed in accordance with the provisions of the Income Tax Act, 1961.

d). Deferred Tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of its realization.

### e)(i). Deferred Tax Statement:

|    |  | Current Year | Previous Year |
|----|--|--------------|---------------|
| 1. | WDV of Fixed Assets as per books of accounts   | 5162520      | 8458779       |
|    | WDV of Fixed Assets as per Income Tax Act      | 4770432      | 5303732       |
|    | Excess WDV in Books of Accounts                | 392088       | 3155047       |
|    | Deferred Tax Liability @30.90% (A)             | 121155       | 974910        |
| 2. | Brought forward business losses and allowances | 10365329     | 15901902      |
|    | Deferred Tax Assets @ 30.90% (B)               | 3202887      | 4913688       |
|    | Net Deferred Tax Assets (B)-(A)                | 3081732      | 3938778       |
| 4. | Deferred Tax Assets for the year (Being DR)    | 857046       | 2271231       |

## 10. Segment Reporting:

The Companies core activity is to develop and trades in computer software. This is the only business segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

## 11. Earning Per Share (In Rs.):

|                                     | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| Net Profit/Loss after tax           | 1861708      | 4930053.00    |
| Number of Equity Shares held        | 16889000     | 16889000      |
| Basic and Diluted Earning per share | 0.11         | 0.29          |

Svam TAR08



## 12. Borrowing Costs:

- (i) Borrowing costs are recognized as an expense in the period in which they are incurred.
- (ii) The concern does not have any qualifying asset from the viewpoint of capitalization of borrowing costs. Hence no borrowing cost is capitalized.

## 13. Intangible Assets:

- (i) The concern does not have an intangible asset from which any probable future economic benefit will flow to it.
- (ii) Expenditure on an intangible item other than in (i) above is recognized as an expense when it is incurred.

## 14. Related Party Disclosure :

As per AS-18 issued by the ICAI management identified the following related parties transaction made during the year

| Name of Related Party               | Nature of Relationship                      | Nature of Transaction | Volume of Transaction | Amount Outstanding |
|-------------------------------------|---|-----------------------|-----------------------|--------------------|
| Shridhar Financial Services Limited | Controlled by one of the company's Director | Granting Loan         | 2000000.00            | Nil                |

## 15 Provision, Contingent Liabilities, Contingent Assets:

- (i) Any reimbursement against a provision expected from an insurance or other indemnity clause is not recognized unless there is its virtual certainty.
- (ii) A contingent liability is not recognized in the financial statements. It is only disclosed in the notes.
- (iii) A contingent assets is neither recognized in the financial statement nor disclosed in the notes.

- (iv) Contingent Liabilities:

|   |                       |                       |
|---|-----------------------|-----------------------|
|   | <u>As on 31.03.08</u> | <u>As on 31.03.07</u> |
| -On a/c of Rent Pending Litigation in Court | 694800.00             | 694800.00             |

15 Prior Period expenses, if any significant, are charged to a separate prior period expense account. Similarly extra ordinary items, if any significant, are shown separately in the accounts statements.

15. Paise have been rounded off to the nearest rupee.

16. Previous year's figures have been regrouped/rearranged wherever necessary.



17. Additional Information Pursuant to Part II, Schedule VI of the Companies Act, 1956

|        |   | Quantity    | Amount (Rs.)<br>As at<br>31.03.2008 | Quantity     | Amount (Rs.)<br>As at<br>31.03.2007 |
|--------|---|-------------|-------------------------------------|--------------|-------------------------------------|
| (i)    | <b>Sales</b><br>Software Packages<br>Consumables  | 1517<br>105 | 85360760.00<br>342000.00            | 16500<br>Nil | 88040526.00<br>Nil                  |
| (ii)   | <b>Purchases</b><br>Software Packages<br>Consumables  | 1520<br>Nil | 85405000.00<br>Nil                  | 16500<br>Nil | 76928688.00<br>Nil                  |
| (iii)  | <b>Opening Stock</b><br>- Finished Goods  | 105         | 342000.00                           | 105          | 342000.00                           |
| (iv)   | <b>Closing Stock</b><br>- Finished Goods  | 3           | 4950000.00                          | 105          | 342000.00                           |
| (v)    | Licensed Capacity   | N.A.        | N.A.                                | N.A.         | N.A.                                |
| (vi)   | Installed Capacity(per annum)   | N.A.        | N.A.                                | N.A.         | N.A.                                |
| (vii)  | CIF Value of Imports  | -           | NIL                                 | -            | NIL                                 |
| (viii) | Expenditure in foreign currency   | -           | NIL                                 | -            | NIL                                 |
| (ix)   | Value of Material Consumed<br>-Indigenous Material, Spare Parts<br>& Components<br>-Imported Raw Materials etc. | -<br>-<br>- | NIL<br>NIL<br>NIL                   | -<br>-<br>-  | NIL<br>NIL<br>NIL                   |
| (x)    | Dividend Remitted in Foreign<br>currency  | -           | NIL                                 | -            | NIL                                 |
| (xi)   | Earning in foreign exchange   | -           | Nil                                 | -            | Nil                                 |

\* Sales & purchase include development of software, the quantitative details whereof are not possible.

**B- REMUNERATION TO AUDITORS** : As required under item 4B of schedule VI of Companies Act, following amounts have been paid to auditors:

|    |  | 2007-08    | 2006-07    |
|----|--|------------|------------|
| a) | Audit  | 40000.00   | 40000.00   |
| b) | As Advisor, or in any other capacity in respect of<br>i) Taxation Matters<br>ii) Company Law matters & certificate | Nil<br>Nil | Nil<br>Nil |

19. Paise have been rounded off to the nearest rupee.

20. Previous year's figures have been regrouped/ rearranged wherever necessary.

For Padam Dinesh & Co.  
Chartered Accountants

(CA. Dinesh Chandra Aggarwal)  
Partner  
M.No. 86138

For and on behalf of the Board



Director Director Director

Company Secretary

Place: New Delhi.  
Date: 07.08 2008

I STATE CODE : 55, REGISTRATION NO. 47327  
BALANCE SHEET DATE : 31//03/2008,

|    |                   |     |
|----|-------------------|-----|
| A. | PUBLIC ISSUE      | NIL |
| B. | RIGHT ISSUE       | NIL |
| C. | BONUS ISSUE       | NIL |
| D. | PRIVATE PLACEMENT | NIL |

|                   |   |                 |
|-------------------|---|-----------------|
| TOTAL LIABILITIES | : | RS 206,438,000  |
| TOTAL ASSETS      | : | RS. 206,438,000 |

|                     |   |                 |
|---------------------|---|-----------------|
| PAID-UP CAPITAL     | : | RS. 168,890,000 |
| RESERVE AND SURPLUS | : | RS. 37,548.000  |

|                           |   |     |           |
|---------------------------|---|-----|-----------|
| NET FIXED ASSETS          | : | RS. | 5162520   |
| INVESTMENT                | : | RS. | 7310      |
| NET CURRENT ASSETS        | : | RS. | 183816711 |
| DEFERRED TAX ASSETS (NET) | : | RS. | 3081732   |
| PROFIT & LOSS ACCOUNT     | : | RS. | 14369727  |

|                                 |   |               |
|---------------------------------|---|---------------|
| TURNOVER INCLUDING OTHER INCOME | : | RS. 117541257 |
| TOTAL EXPENDITURE               | : | RS. 111276166 |
| PROFIT BEFORE TAX               | : | RS. 2823754   |
| INCOME TAX                      | : | RS. 129000    |
| DEFERRED TAX ASSETS             | : | RS. 857046    |
| PROFIT AFTER TAX                | : | RS. 1861708   |

|                      |   |   |
|----------------------|---|---|
| ITEM CODE NO.        | : |   |
| PRODUCTS DESCRIPTION | : | SOFTWARE DEVELOPMENT & EXPORT, MARKETING OF SOFTWARE PACKAGES |

**SVAM SOFTWARE LIMITED****REGD. OFFICE : S-524, VIKAS MARG, SHAKARPUR, DELHI-110092****CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2008**

| PARTICULARS   | CURRENT YEAR       | PREVIOUS YEAR      |
|---|--------------------|--------------------|
| <b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                    |                    |
| Net Profit before taxation, and extraordinary items             | 2,718,754          | 7,303,018          |
| Adjustment for :  |                    |                    |
| Depreciation  | 3,417,337          | 3,430,999          |
| Interest & Finance Charges                                      | 9,411              | 12,157             |
| Reversal of Provision   | -                  | 46,499,416         |
| Less: Profit on Sale of Shares                                  | 0                  | 23000              |
| Operating Profit Before Working Capital Changes                 | 6,145,502          | 57,222,590         |
| Adjustment for :  |                    |                    |
| Inventories   | (4,608,000)        | 0                  |
| Sundry Creditors, Others Liabilities & Provisions               | (1,560,402)        | (2,478,566)        |
| Sundry Debtors  | 18,048,104         | 8,324,485          |
| Loan & Advances   | (20,601,273)       | (64,418,279)       |
| Cash Generated from Operations                                  | (2,576,069)        | (1,349,769)        |
| Interest paid   | (9,411)            | (12,157)           |
| Direct Taxes paid   | (1,356,348)        | (101,734)          |
| <b>Net Cash From Operating Activities (A)</b>                   | <b>(3,941,828)</b> | <b>(1,463,660)</b> |
| <b>B.CASH FLOW FROM INVESTING ACTIVITIES:</b>                   |                    |                    |
| Purchase of Fixed Assets  | (121,079)          | -                  |
| Investment in Shares  | (7,310)            | 7,950,000          |
| <b>Net Cash used in Investing Activities (B)</b>                | <b>(128,389)</b>   | <b>7,950,000</b>   |
| <b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                    |                    |
| Borrowing (Net)   | -                  | -                  |
| <b>Net Cash used in Financing Activities (C)</b>                | <b>-</b>           | <b>-</b>           |
| Net Increase/(Decrease) in cash and cash equivalents<br>(A+B+C) | (4,070,217)        | 6,486,340          |
| <b>Cash &amp; Cash Equivalents as at 1/04/2007</b>              | <b>8,263,235</b>   | <b>1,776,895</b>   |
| <b>Cash &amp; Cash Equivalents as at 31/03/2008</b>             | <b>4,193,018</b>   | <b>8,263,235</b>   |

TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE ATTACHEDFor M/s PADAM DINESH & CO.  
CHARTERED ACCOUNTANTS

for and on behalf of the Board

CA. DINESH CHANDRA AGGARWAL  
PARTNER  
M.NO. 86138

MANAGING DIRECTOR DIRECTOR DIRECTOR COMPANY SECRETARY

PLACE : DELHI  
DATE : 07.08.2008