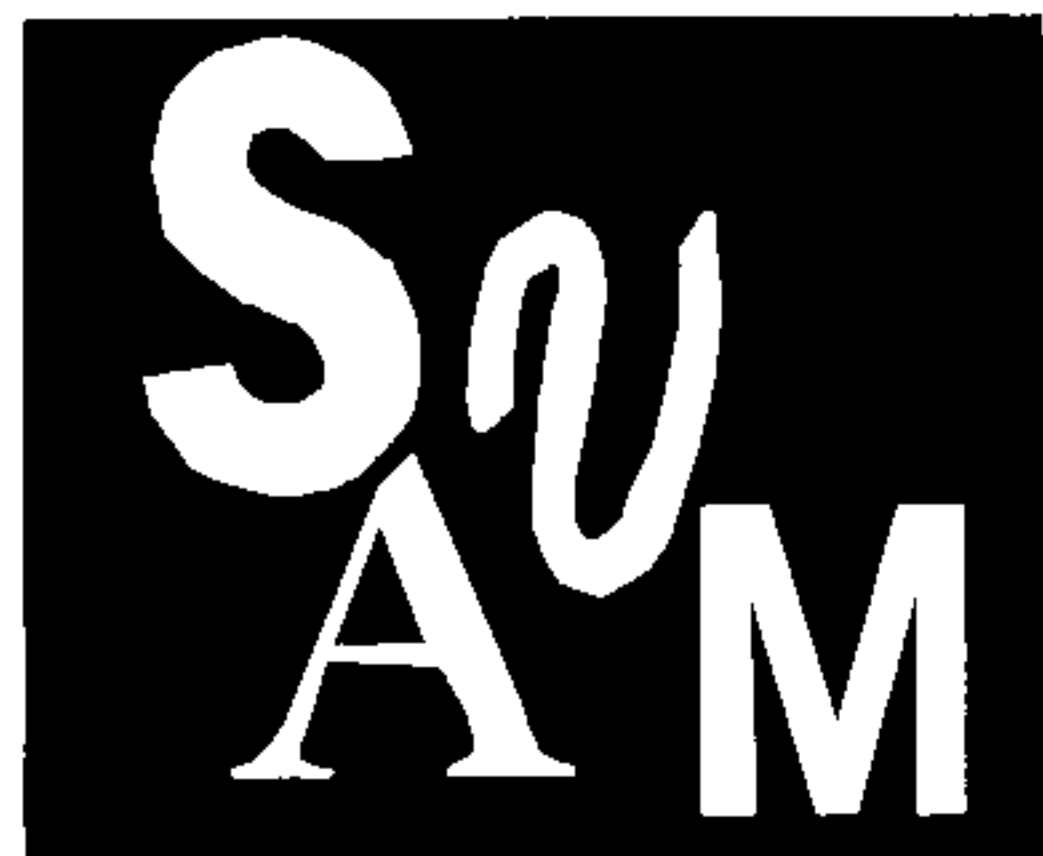


19TH  
ANNUAL REPORT  
2010 - 2011



SOFTWARE LTD.

**SVAM SOFTWARE LIMITED**

---

**NINETEENTH ANNUAL REPORT 2010 – 2011**

**BOARD OF DIRECTORS**

Mr. Harshwardhan M. Koshal	<i>Chairman</i>
Mr. Rajeev Garg	<i>MD</i>
Mr. Sudhir Kumar Agarwal	<i>Director</i>
Mr. Neeraj Mishra	<i>Director</i>

**BANKERS**

HDFC Bank Ltd.  
Indusland Bank

**REGISTERED OFFICE & ADMINISTRATIVE OFFICE**

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

**STATUTORY AUDITORS**

M/s SNMG & Co. Chartered Accountants  
E-35, Lajpat Nagar-III,  
New Delhi - 110 024

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153A, Okhla Industrial Area  
Phase-I, New Delhi - 110020

**IMPORTANT**

Share Holders may please note that  
**NO COUPONS / REFRESHMENTS**  
will be provided at the AGM

Visit our Website at [http : //www.svamssoftwareltd.com](http://www.svamssoftwareltd.com)

<i>CONTENTS</i>	<i>Page No.</i>
Notice .....	1-5
Directors' Report .....	6-7
Report on Corporate Governance .....	8-12
Management Discussion and Analysis Report .....	15
Auditors' Report .....	16
Balance Sheet .....	18
Profit & Loss Accounts .....	19
Schedules .....	20-23
Balance Sheet Abstract .....	27
Cash Flow Statement .....	28

### Notice of the 19th Annual General Meeting

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of the Company will be held on **Thursday, 29<sup>th</sup> September, 2011 at 09:30 A.M** at the registered office of the Company at S-524, Vikas Marg, Shakarpur, 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, 2011 and the Auditors and Directors Report thereon.
2. To appoint a director in place of Shri Neeraj Mishra who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. 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 SNMG & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re appointment and to fix their remuneration.

#### Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

**“RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment thereto or re-enactment thereof) and subject to the provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into with the Stock Exchange(s) where the Equity Shares of the Company are listed and in accordance with the existing guidelines, rules and regulations of the Securities and Exchange Board of India (“SEBI”) (including the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009, the SEBI (Substantial Acquisition of Shares and Takeovers Regulations, 1997) (including any statutory amendment(s), modification(s) and or re-enactment(s) thereof, for the time being in force) and subject to the approvals, consents, permissions and/ or sanctions, as may be necessary of the appropriate authorities, institution or body and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents permissions and / or sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board of Directors or any committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded and Board is hereby authorized to issue, offer and allot up to 1,68,89,000 (One Crore Sixty Eight Lakh Eighty Nine Thousand only) Fully Convertible Warrants to be convertible at the option of Warrant holders in one or more tranches, within 18 (eighteen) months from its allotment date into equal number of fully paid up Equity Share of the Company of face value of Rs.10/- each for cash at an exercise price of Rs 10/- and to issue fresh Equity Shares on the conversion of the Warrants on such further terms and conditions as may be finalized by the Board of Directors to following persons belonging to Non- Promoter and Promoter Group:

Name of person	Category	No. of Warrants
MANISHA AGARWAL	Promoter	12,21,300
OM PRAKASH AGARWAL	Promoter	12,21,300
ADVANTAGE SOFTWARE PVT. LTD.	Non-Promoter	50,00,000
VENUS INSEC PVT. LTD.	Non-Promoter	50,00,000
CHRISHMATIC DEVELOPERS PVT. LTD.	Non-Promoter	44,46,400
<b>Total</b>		<b>1,68,89,000</b>

**RESERVED FURTHER THAT** the amount to be paid on the warrants at the time of allotment shall be not less than 25% of the exercise price and the rights attached to them and other terms and conditions of the warrants will be as decided by the Board of Directors in accordance with SEBI Guidelines and other provisions of the applicable laws.

**RESERVED FURTHER THAT** the fresh equity shares allotted on conversion of warrants shall rank pari passu in all respects with the existing Equity Shares of the Company

**RESERVED FURTHER THAT** the Relevant Date for the purpose of calculating the exercise price for the Warrants under Chapter VII of SEBI (ICDR) Regulations, 2009 will be 30<sup>th</sup> August, 2011.

**RESOVED FURTHER THAT** fully convertible warrants, being allotted to person as Non-Promoters and Promoter shall be locked in for a period of 1 year and 3 years respectively from the date of allotment of warrants and the equity shares that will be allotted pursuant to the conversion of these warrants will be put under fresh lock in for a period of 1 year and 3 years respectively from the date of conversion or as may be required under SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 except to the extent and in the manner permitted there under.

**RESOVED FURTHER THAT** for the purpose of issue and allotment of the Warrants and equity shares and listing thereof with the Stock Exchange(s), the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity shares of the Company, as in the absolute discretion, deem fit and proper.

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

**Registered Office**  
S-524, Vikas Marg, Shakarpur,  
Delhi-110092  
Dated: 25/08/2011

Sd/-  
Managing Director

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No.4**

**Issue of 1,44,46,400 Fully Convertible Warrants to Non-Promoter group and 24,42,600 Fully Convertible Warrants to Promoter Group**

The Company proposes to issue Fully Convertible Warrants with the right to apply for Equal Equity Shares on subsequent dates as per Regulations on Preferential Issue basis as prescribed by SEBI. The required information as per the provisions of the SEBI's Regulations is given below:

**A. Objects of the issue:**

The object of issue for further equity capital is to meet the working capital requirements for the existing operations and for the expansion of the company's business operations. Your Company is engaged in the business of Software Education. The Non-Promoters as specified below has shown interest to infuse funds in the company and Promoter group have also agreed to invest to the extent of 24,42,600 Fully Convertible Warrants for the future growth of the company.

Name of person	Category	No. Of Warrants
ADVANTAGE SOFTWARE PVT. LTD.	Non-Promoter	50,00,000
VENUS INSEC PVT. LTD.	Non-Promoter	50,00,000
CHRISHMATIC DEVELOPERS PVT. LTD.	Non-Promoter	44,46,400
<b>Total</b>		<b>1,44,46,400</b>

**B. Intention of the Promoters to subscribe to the offer:**

Proposed Allotee as specified below belongs to the Promoter Group and intend to subscribe for 24,42,600 (Twenty Four Lac Forty Two Thousand Six Hundred only) fully convertible warrants to be converted into equal number of equity shares of Rs. 10/- (Rupees Ten) each at a price of Rs.10/- (Rupees Ten only) per share within a period of 18 months from the date of allotment. The Company has received written consent towards their intention to subscribe.

Name of person	Category	No. Of Warrants
MANISHA AGARWAL	Promoter	12,21,300
OM PRAKASH AGARWAL	Promoter	12,21,300
<b>Total</b>		<b>24,42,600</b>

**C. Issue price and relevant date:**

The issue price of the proposed Fully Convertible Warrants will be Rs. 10/- each or as decided by the Board of Directors, which will be more than the minimum price as will be determined in accordance with the Regulations for pricing of the preferential issue under Chapter VII of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirement) Regulations, 2009. The relevant date on the basis of which the price of the issue of shares be calculated will be 30<sup>th</sup> August, 2011 i.e. 30 days prior to the date of Annual General Meeting being the date of passing of the resolution.

**D. Shareholding Pattern of the Company before and after the issue:**

The shareholding pattern of the Company before and after the issue of Equity shares that will arise upon conversion of Fully Convertible Warrants to Promoter and Non-promoters is as under:

Name of shareholders	Pre issue shareholding		Preferential issue No of Warrants	Post issue shareholding (After conversion of warrants)	
	No of Shares Held	% of shares		No of shares held	% of shares
<b>(A) Promoters' Shareholding</b>					
Promoter & Promoter Group					
(1) Indian	2442600	14.46	2442600	4885200	14.46
(a) Individuals /HUF	-	-	-	-	-
(b) Central Govt. /State Govt.	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-
(d) Financial Institutions /Banks	-	-	-	-	-
<b>Sub Total (A)( 1)</b>	<b>2442600</b>	<b>14.46</b>	<b>2442600</b>	<b>4885200</b>	<b>14.46</b>
(2) Foreign	-	-	-	-	-
(a) Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-
(c ) Institutions	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Total shareholding of Prom. & Prom. Grp.(A)=(A) (1) + (A) (2)	2442600	14.46	2442600	4885200	14.46
<b>(A) Non Promoters' Shareholding</b>					
Institutions	7100	0.04	-	7100	0.02
Non-Institutions:	1284416	7.61	14446400	15730816	46.57
(a) Bodies Corporate					
(b) (i) Individual holding nominal share capital Rs1Lacs	9299575	55.06	-	9299575	27.53
(ii) Individual holding nominal share capital Rs1Lacs	3211509	19.02	-	3211509	9.51
(c) Clearing House/Public Trust	636200	3.77	-	636200	1.88
corporate Bodies-OCB	1000	0.01	-	1000	0.002
Intermediary/ Other Depository A/c	6600	0.04	-	6600	0.02
<b>Total Public Shareholding (B)</b>	<b>14446400</b>	<b>85.54</b>	<b>14446400</b>	<b>28892800</b>	<b>85.54</b>
<b>TOTAL (A+B)</b>	<b>16889000</b>	<b>100</b>	<b>16889000</b>	<b>33778000</b>	<b>100</b>

**E. Proposed time within which the allotment shall be completed**

The Board proposes to allot the Fully convertible Warrants within a period of 15 days from the date of passing of the resolutions by the shareholders or within 15 days from the date of approval of any regulatory authority, whichever is later.



**F. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them**

S. No	Name of the Proposed Allottees	Category	Pre-Issue Shareholding		Number of Warrants	Post Issue shareholding After conversion of warrants	
			No. of shares	%ge		No. of shares	%ge
1.	MANISHA AGARWAL	Promoter	1200000	7.11	1221300	2421300	14.34
2.	OM PRAKASH AGARWAL	Promoter	1242600	7.36	1221300	2463900	14.59
3.	ADVANTAGE SOFTWARE PVT. LTD.	Non-Promoter	-	-	5000000	5000000	29.60
4.	VENUS INSEC PVT. LTD.	Non-Promoter	-	-	5000000	5000000	29.60
5.	CHRISHMATIC DEVELOPERS PVT. LTD.	Non-Promoter	-	-	4446400	4446400	26.33
<b>Total</b>			<b>2442600</b>	<b>14.47</b>	<b>1,68,89,000</b>	<b>19331600</b>	<b>57.23</b>

**G. Consequential Changes in the Voting Rights**

Voting rights will change in tandem with the shareholding pattern however there shall not be any change in the management control of the Company.

**H. Auditors' Certificate :**

A Certificate from M/s SNMG & CO. CHARTERED ACCOUNTANTS, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in SEBI (ICDR) Regulations, 2009 shall be placed before the meeting of the shareholders.

**I. Lock-in**

The 1,44,46,400 (One Crore Forty Four Lac Forty Six Thousand Four Hundred) Fully Convertible Warrants, being allotted to person mentioned as Non-Promoters and 24,42,600 (Twenty Four Lakh Forty Two Thousand Six Hundred) Fully Convertible Warrants allotted to persons mentioned as Promoters in 'Point F' above shall be locked in for a period of 1 year and 3 year respectively from the date of allotment of warrants and the equity shares allotted pursuant to the conversion of these warrants will be put under fresh lock in for a period of 1 year and 3 years respectively from the date of conversion or as may be required under SEBI Regulations in this regard.

**J. Change in Management:**

The issue of the Warrants and their conversion into equal number of equity shares will not result in any change in the management or control of the Company.

**K. Re-computation of the Price:**

As the company is listed at the Bombay Stock Exchange for more than 6 months, therefore the company need not to re-compute the price of the Fully convertible warrants and the Equity shares that will arise upon its conversion.

In terms of provisions of the Companies Act, 1956, approval of the members is sought under Section 81(1A) of the Companies Act, 1956, for the offer, issue and allotment of the said securities, as detailed in the resolutions. The Board may be authorized to issue the Equity shares, in accordance with the terms of offer, as detailed in the resolution and to take necessary actions without any limitation for implementation of the resolution.

The Directors are interested in the resolution to the extent of the allotment to be made to them, if any.

The Board of Directors recommends the resolution for the approval of the shareholders.

**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 24/09/2011 TO 29/09/2011, 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. 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.
6. THE MEMBER ARE REQUESTED TO: -
  - a. INTIMATE CHANGES IF ANY IN THEIR ADDRESS TO THE COMPANY OR TO THE REGISTRAR AND SHARE TRANSFER AGENT OF THE COMPANY, M/s SKYLINE FINANCIAL SERVICES (P) LTD. AT D-153A, OKHLA INDUSTRIAL AREA, PHASE-I, DELHI-110020.
  - b. QUOTE FOLIO NUMBER IN ALL THEIR CORRESPONDENCE WITH THE COMPANY.
  - c. BRING THEIR COPIES OF ANNUAL REPORT INCLUDING ATTENDANCE SLIP AT THE VENUE FOR THE AGM.
7. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO LODGE SHARE TRANSFER, TRANSMISSION AND INTIMATE CHANGES, IF ANY, IN THEIR REGISTERED ADDRESS, BANK ACCOUNT AND MANDATE DETAILS, RESIDENTIAL STATUS ETC. QUOTING THEIR FOLIO NUMBER(S) TO COMPANY'S SHARE TRANSFER AGENTS.

## DIRECTORS REPORT

To The Members  
Svam Software Ltd.

Your Directors have pleasure in presenting the 19th Annual Report on the business, operations and financial performance of the company during the financial year ended 31<sup>st</sup> March 2011.

### FINANCIAL RESULTS

*Rs. (In lacs)*

Particulars	For The Year Ended	
	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010
Sales/Operating Income	2099.38	1104.70
Gross Profit/ (Loss) after interest but before depreciation & taxation	13.93	19.35
Less: Depreciation	3.11	5.26
Less: Income Tax/FBT	2.00	2.20
Less: Decrease in Deferred tax assets during the year	5.67	4.36
Profit/(Loss) after tax	3.14	7.94
Transfer to General Reserve/ P & L	-	-

### 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.2124.69 lacs and after tax profit of Rs. 3.14 lacs against turnover of Rs.1148.72 lacs and profit after tax of Rs.7.94 lacs in the corresponding previous year.

### FUTURE OUTLOOK

The Company proposes to raise the funds by making preferential issue of fully convertible warrants amounting to Rs. 16,88,90,000/- (excluding premium) to the promoter and non promoter group to meet the working capital requirements of the company in future. The board has placed relevant resolution before the members in this regard.

### 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 SNMG & Co: Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated in Clause 49 is annexed to this report.**

### DIRECTORS

Your board has a Non-Executive Chairman and the number of Independent Directors is half of the total strength of Directors. The composition of the board is in conformity of Clause 49 of the Listing Agreement.

Your board of directors consist of the following four directors:

1. Mr. Harshwardhan Koshal (Chairman & Non-Executive Independent);
2. Mr. Rajeev Garg (Managing Director and Executive);
3. Mr. Sudhir Kumar Agarwal (Non Executive) and;
4. Mr. Neeraj Mishra (Non- Executive Independent).

### 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, 2011 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, 2011 on a going concern basis

### AUDITORS

M/s SNMG & Co., Chartered Accountants holds office of the Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting is eligible for re-appointment.





## SVAM SOFTWARE LIMITED

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

#### a. AUDIT COMMITTEE

As per the provisions of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956, the Audit Committee has been set up to review the internal audit reports and financial statements at periodic intervals.

The Audit Committee comprises following three members having strong background in financial management:-

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

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

In pursuance of the provisions of the Listing Agreement, the company has also set up a Shareholders/ Investor's Grievance Committee to ensure maximum security to the concern of the shareholders. The committee consists of a Non Executive Chairman and other two members of the names as follows:

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

#### 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 : 25/08/2011

Sd/-  
Managing Director

Sd/-  
Directo

#### ANNEXURE TO THE DIRECTORS REPORT

##### A. 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.

##### B. TECHNOLOGY ABSORPTION

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

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

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

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

###### 3. Future Plan of action:

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

###### 4. Expenditure on R & D: NIL

##### C. FOREIGN EXCHANGE EARNINGS

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

## 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

Your board has a Non-Executive Chairman and the number of Independent Directors is half of the total strength of Directors. The composition of the board is in conformity of Clause 49 of the Listing Agreement.

The management of the company is entrusted in the hand of the key management personnel of company and is headed by the Managing Director, who functions under the supervision and control of the board. The board reviews and approves strategy and oversees the action and result of management.

None of the Independent Director has any other material pecuniary relationship or transaction with the company, its promoters and its directors which, in their judgement would affect their independence.

As on year ended 31st March 2011, the Board had strength of four directors.

The composition of board is as follows:

S.No.	Name of the director	Status
1	Mr. Harshwardhan M.Koshal	Non-Executive and Independent Chairman
2	Mr. Sudhir Kumar Agarwal	Non Executive and Non-Independent
3	Mr. Neeraj Mishra	Non Executive and Independent
4	Mr. Rajeev Garg	Executive and Non-Independent (MD)

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.

Attendance of each director at Board Meetings and the last AGM

During the year the board of directors met 5 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	
	Held	Present				Directorships
Mr Sudhir Kumar Agarwal	5	5	Yes	2	Nil	3
Mr Neeraj Mishra	5	5	Yes	1	1	Nil
Mr H M Koshal	5	5	Yes	1	1	1
Mr. Rajeev Garg	5	5	Yes	Nil	Nil	Nil

### III. COMMITTEES OF THE BOARD

#### a) Audit Committee

As per the provisions of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956, the Audit Committee has been set up to review the internal audit reports and financial statements at periodic intervals.



## SVAM SOFTWARE LIMITED

The Audit Committee comprises following three members having strong background in financial management:-

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

### Meetings of the Audit Committee:

Five meetings of committee were held during the year on 30/04/2010, 06/08/2010, 30/08/2010, 30/10/2010 and 30/01/2011. All the members of the committee were present in the meetings held during there respective tenure.

### Role of Audit Committee:

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: -

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- c) 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-alia transfer/ transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matter including Shareholder's complaints and grievances. The Committee also reviews the periodicity and effectiveness of the Share transfer process, statutory certifications.

The composition of the Shareholders Grievances / Share Transfer Committee is as under:

Mr. Harshwardhan Koshal	Chairman
Mr. Neeraj Mishra	Member
Mr. Sudhir Kr. Agarwal	Member

The Committee meets at least twice a month to approve transfer requests received from the investor during the previous week to ensure prompt delivery of securities to the shareholders.

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

Mr. Rajeev Garg, Managing director is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.



## SVAM SOFTWARE LIMITED

### V. GENERAL BODY MEETING: -

#### a) GENERAL MEETINGS

##### DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

AGM	Financial Year	Date	Time	Location
18 <sup>th</sup> AGM	2009-2010	30.09.2010	10:00 AM	S-524, Vikas Marg, Shakarpur, Delhi-110092
17 <sup>th</sup> AGM	2008-2009	30.09.2009	11:00 AM	S-524, Vikas Marg, Shakarpur, Delhi-110092
16 <sup>th</sup> AGM	2007-2008	29.09.2008	10.00 AM	IPEX Bhawan, I.P. Extension, Delhi-110092

#### b) POSTAL BALLOT

No resolutions were passed by postal ballot during the year ended 31<sup>st</sup> March 2011.

#### 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:

- 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.
- 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; structure 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/The Financial Express (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

**Financial Year** 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011  
**19<sup>th</sup> Annual General Meeting** On Thursday 29<sup>th</sup> September, 2011  
at 09:30AM at S-524, Vikas Marg, Shakarpur, Delhi-110092

**Financial Calendar**  
Financial Year 1<sup>st</sup> April to 31<sup>st</sup> March  
1<sup>st</sup> Quarterly Results End July 2010  
2<sup>nd</sup> Quarterly Results End October 2010  
3<sup>rd</sup> Quarterly Results End January 2011  
4<sup>th</sup> Quarterly Results End April 2011  
**Date of Book Closure** 24<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive)  
**Dividend Date** Not Applicable

#### Listing on Stock Exchange

The company is listed in following exchanges:

- Bombay Stock Exchange**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023
- Ahmedabad Stock Exchange**  
Kamdhenu Complex, Opp. Sahajanand College, Panjarapole Ambawadi, Ahmedabad-380001



**3) Kolkata Stock Exchange**

7 Lyonsrange, Kolkata, West Bengal-700001

The Equity shares of the company are actively traded at BSE with Scrip code- (523722) in the 'B' Group.

**STOCK MARKET DATA (YEAR 2010-2011)**

Month	High	Low
April, 2010	2.55	1.90
May, 2010	3.00	1.78
June, 2010	2.90	2.03
July, 2010	2.71	2.07
August, 2010	2.78	2.01
September, 2010	2.84	2.09
October, 2010	2.79	2.24
November, 2010	3.09	2.10
December, 2010	2.55	2.12
January, 2011	2.70	2.05
February, 2011	2.48	1.86
March, 2011	2.95	2.25

**X. REGISTRAR AND SHARE TRANSFER AGENT**

**M/s SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

Unit: Svam Software Ltd

D-153A, Okhla Industrial Area,

Phase-I, New Delhi-110020

Telephone No: 011-30857575

E-mail Address: viren@skylinert.com

**XI. SHARE TRANSFER SYSTEM**

M/s Skyline Financial Services (P) Ltd. acts as Registrar and Transfer Agent for the company. M/s Skyline Financial Services has a dedicated management team comprising professional qualified managers who are possessing vast experience in handling the share transfer work. The organization has a proven track record and is committed to maintain quality to service of the highest standards and also handling capacity with a commendable flexibility to quickly upgrade the capacity at shorter notice.

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, 2011.**

**a. Distribution of Shareholding as on March 31, 2011.**

No of Shares	No of Shareholders	% to total	No of Shares held	% to total
0-500	29041	89.48	4948676	29.30
501 -1000	2031	6.26	1665315	9.86
1001-2000	710	2.19	1101823	6.52
2001-3000	239	0.74	612631	3.63
3001-4000	82	0.25	295503	1.75
4001- 5000	95	0.29	456517	2.70
5001-10000	155	0.48	1202676	7.12
10001 & above	101	0.31	6605859	39.11



**a. Category of shareholders as on March 31, 2011**

Category	No. of Shares	Percentage of holdings
<b>A. Promoters Holding</b>		
i) Promoters		
a. Indian-individual	24,42,600	14.47%
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>14.47%</b>
<b>B. Public Holding</b>		
i) Institutional Investor		
a) Mutual Fund	4000	0.02%
b) Financial institutions/Banks	3100	0.02%
c) Central Govt./State Govt.(s)	Nil	Nil
d) Venture capital fund/Ins.Cos.	Nil	Nil
e) FII Etc	Nil	Nil
<b>Sub Total (B)(i)</b>	<b>7100</b>	<b>0.04%</b>
ii) Non-Institutions Investors		
a) Bodies Corporate	1295640	9.16%
b) Individuals		
i) shareholding < Rs.1.00 Lac	9372373	57.15%
ii) shareholding > Rs.1.00 Lac	3125287	15.21%
c) NRI	638100	3.92%
i) Clearing House	1000	0.01%
ii) Corporate Body- OCB	6600	0.04%
iii) Intermediary/Other Depository A/c	0.00	
<b>Sub Total (B)(ii)</b>	<b>14439300</b>	<b>85.50%</b>
<b>Sub Total (B)</b>	<b>14446400</b>	<b>85.53%</b>
<b>Grand Total (A+B)</b>	<b>16889000</b>	<b>100%</b>
Shares held by custodian and against which Depository Receipt is issued	Nil	NIL

**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, 2011 the equity shares have been dematerialized are 73.77%.

**XIII. INVESTORS CORRESPONDENCE**

Investors may address any correspondence to:

**Svam Software Ltd**

S-524, Vikas Marg, Shakarpur, Delhi-110092.

Ph: 011-43206710

E-mail- [rajeev@svamsoftwareltd.com](mailto:rajeev@svamsoftwareltd.com)

Website: [www.svamsoftwareltd.com](http://www.svamsoftwareltd.com)

**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 (if any);
  - (ii) Significant changes in accounting policies during the year (if any) 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 : 25/08/2011

Sd/-  
Managing Director

Sd/-  
Director

---

**AUDITORS 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, 2011 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.

Place : Delhi  
Date : 25/08/2011

**For SNMG & Co.**  
Chartered Accountants  
FRN- 004921N

Sd/-  
**(CA NERAJ GUPTA)**  
(Partner)  
M. No.87004

**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 31.03.2011 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 : 25/08/2011

Sd/-  
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, 2011 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 : 25/08/2011

Sd/-  
Managing Director

**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 expand 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. 2124.69 and after tax profits of Rs. 3.11 lakhs as Against Turnover of Rs. 1148.72 lakhs and after tax profits of Rs. 7.94 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 : 25/08/2011

Sd/-  
Managing Director

**AUDITORS' REPORT**

To the Members of  
**SVAM SOFTWARE LIMITED**

We have audited the attached Balance Sheet of SVAM SOFTWARE LTD. as at 31st March 2011 and the Profit and Loss Account 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 dealt with by the report are in agreement with the books of accounts and returns.
  - d) 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.
  - 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 31.03.2011, 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 the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - ii) In the case of Profit & Loss Account, of the profit of the company for the year ended on that date.
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For M/S SNMG & CO.**  
Chartered Accountants  
F.R.N.-004921N

Sd/-  
**CA. NEERAJ GUPTA**  
(PARTNER)  
M.NO.-087004

Place : New Delhi  
Date : 25/08/2011

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date.

- (i)
  - (a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) In the absence of proper records including fixed assets register, we are unable to comment whether the Fixed Assets are physically verified by the management.
  - (c) As per information given to us by the management. the company has not disposed off any substantial part of its Fixed Assets during the year.
- (ii)
  - (a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.



- (iii) (a) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties, covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(iii) (b), (c) and (d) of the companies (Auditor's Report) 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in internal controls.
- (v) (a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested as contemplated under section 297 and sub-section (6) of section 299 of the Companies Act, 1956, and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956, have so entered.
- (b) According to the information and explanations given to us, transactions exceeding the value of Rs. 5,00,000/- have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits as defined under sections 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records have not been prescribed by the Central Govt. under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the company, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, sales tax, customs duty, wealth tax and excise duty were outstanding as on 31<sup>st</sup> March 2011 for a period of more than six months from the date becoming payable.
- (x) The company has accumulated losses amounting to Rs. 11860792/- as at 31<sup>st</sup> March 2011. The company has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) In respect of shares, securities, debentures and other investments, dealt in or traded by the company, proper records have been maintained in respect of transactions and contracts, and timely entries have been made therein.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others, from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the current year except for unsecured loans taken from Banks/financial institutions/ other parties.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice-versa.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised money by way of public issues during the period.
- (xxi) Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: New Delhi  
Date : 25/08/2011

For M/S SNMG & CO.  
Chartered Accountants  
F.R.N.-004921N

Sd/-  
CA. NEERAJ GUPTA  
(PARTNER)  
M.NO.-087004



## SVAM SOFTWARE LIMITED

- (iii) (a) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties, covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(iii) (b), (c) and (d) of the companies (Auditor's Report) 2003 are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in internal controls.
- (v) (a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested as contemplated under section 297 and sub-section (6) of section 299 of the Companies Act, 1956, and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956, have so entered.
- (b) According to the information and explanations given to us, transactions exceeding the value of Rs. 5,00,000/- have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits as defined under sections 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records have not been prescribed by the Central Govt. under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the company, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, sales tax, customs duty, wealth tax and excise duty were outstanding as on 31<sup>st</sup> March 2011 for a period of more than six months from the date becoming payable.
- (x) The company has accumulated losses amounting to Rs. 11860792/- as at 31<sup>st</sup> March 2011. The company has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) In respect of shares, securities, debentures and other investments, dealt in or traded by the company, proper records have been maintained in respect of transactions and contracts, and timely entries have been made therein.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others, from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the current year except for unsecured loans taken from Banks/financial institutions/ other parties.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice-versa.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised money by way of public issues during the period.
- (xxi) Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M/S SNMG & CO.  
Chartered Accountants  
F.R.N.-004921N

Sd/-  
CA. NEERAJ GUPTA  
(PARTNER)  
M.NO.-087004

Place: New Delhi  
Date : 25/08/2011

## BALANCE SHEET AS AT 31ST MARCH 2011

To	Schedule	As At 31st March, 2011 (Rs.)	As At 31st March, 2010 (Rs.)
<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>TOTAL</b>		<b>206,438,000</b>	<b>206,438,000</b>
<b>APPLICATION OF FUNDS</b>			
1) Fixed Assets	4		
Gross Block		25,187,234	25,082,174
2) Less: Depreciation		24,905,656	24,594,531
Net Block		281,578	487,643
Investments	5	7,310	7,310
<b>Current Assets, Loans &amp; Advances</b>			
Stock in hand	6	7,121,296	5,665,099
Sundry Debtors	7	96,398,754	104,938,853
Cash & Bank Balances	8	1,596,246	18,080,992
Loans & Advances	9	166,858,001	119,479,760
		271,974,297	248,164,704
Less: Current Liabilities & Provisions	3	78,849,665	56,128,032
Net Current Assets		193,124,633	192,036,673
Deferred Tax Assets (Net)		1,163,688	1,731,331
3. Miscellaneous Expenditure (To the extent not w/off or adjusted)			
<b>Profit &amp; Loss Account</b>	10	11,860,792	12,175,043
<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

F  
E For **M/S SNMG & CO.**  
Chartered Accountants  
F.R.N. 004921N

for and on behalf of the Board

( Sd/-  
**(CA NEERAJ GUPTA)**  
Partner  
Membership No. 87004

Sd/-  
Managing Director

Sd/-  
Director

( Place : New Delhi  
Dated : 25.08.2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	For the Year Ended 31st March, 2011 (Rs.)	For the Year Ended 31st March, 2010 (Rs.)
<b>INCOME</b>			
SALES		209,938,363	110,469,937
INTEREST RECD. & OTHER INCOME		2,530,325	4,402,225
CLOSING STOCK		7,121,296	5,665,099
		<u>219,589,984</u>	<u>120,537,261</u>
<b>EXPENDITURE</b>			
OPENING STOCK		5,665,099	6,743,100
PURCHASES		207,276,923	106,620,240
MANUFACTURING & ADMINISTRATIVE EXP	11	5,240,263	5,136,367
SELLING & DISTRIBUTION EXPENSES	12	12,254	96,273
INTEREST & BANK CHARGES		1,710	5,604
		<u>218,196,249</u>	<u>118,601,584</u>
PROFIT BEFORE DEPR., TAX & EXTRAORDINARY ITEMS		1,393,735	1,935,677
LESS: LOSS ON DISCARDED ASSETS		-	-
LESS: DEPRECIATION		311,125	526,159
<b>PROFIT BEFORE TAX</b>		<u>1,082,610</u>	<u>1,409,518</u>
LESS: PROVISION FOR I.TAX		200,716	220,000
LESS: DEFERRED TAX LIABILITIES		567,643	435,542
PROFIT AFTER TAX		<u>314,251</u>	<u>753,976</u>
ADD: INCOME TAX ADJ. OF EARLIER YEARS		-	40,393
PROFIT TRANSFERRED TO BALANCE SHEET		<u>314,251</u>	<u>794,369</u>
EARNING PER SHARE (Basic & Diluted)		0.05	0.05
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	13		

IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE ATTACHED

For **M/S SNMG & CO.**  
Chartered Accountants  
F.R.N. 004921N

for and on behalf of the Board

Sd/-  
**(CA NEERAJ GUPTA)**  
Partner  
Membership No. 87004

Sd/-  
Managing Director

Sd/-  
Director

Place : New Delhi  
Dated : 25.08.2011

**SCHEDULE ANNEXED TO & FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS  
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	As At 31st March, 2011 (Rs.)	As At 31st March, 2010 (Rs.)
<b>SCHEDULE 1: SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
3,00,00,000 EQUITY SHARES OF RS.10/- EACH (Last Year 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	168,890,000	168,890,000
fully paid up in cash (Last year 1,68,89,000 Equity Shares of Rs.10/-)	168,890,000	168,890,000
<b>SCHEDULE - 2: RESERVE &amp; SURPLUS</b>		
CAPITAL RESERVE	233,000	233,000
SHARE PREMIUM	37,315,000	37,315,000
	37,548,000	37,548,000
<b>SCHEDULE - 3 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
SUNDRY CREDITORS	78,202,606	53,237,096
OTHER LIABILITIES	446,343	2,652,958
PROVISION FOR FRINGE BENEFIT TAX	-	17,978
PROVISION FOR INCOME TAX	200,716	220,000
	78,849,665	56,128,032



SCHEDULE 4: FIXED ASSETS & DEPRECIATION AS PER BOOKS (COMPANIES ACT) AS N 31.03.2011.

S. PARTICULARS No.	RATE	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		As on 1.04.2010	Addition	Discarded	Dep. Revised	Total As on 31.03.2011	Upto 01.04.2010	During the year	Dep. Revised	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
1 FURNITURE & FIXTURE	6.33%	4,848,296	105,060	-	-	4,953,356	4,594,290	260,656	-	4,854,946	98,410	254,006
2 OFFICE EQUIPMENTS	4.75%	1,062,505	-	-	-	1,062,505	828,871	50,469	-	879,340	183,165	233,634
3 VEHICLES	9.50%	3,800,060	-	-	-	3,800,060	3,800,059	-	-	3,800,059	1	1
4 COMPUTER & PRINTERS	16.21%	12,746,686	-	-	-	12,746,686	12,746,685	-	-	12,746,685	1	1
5 COMPUTERS SOFTWARE	16.21%	2,624,627	-	-	-	2,624,627	2,624,626	-	-	2,624,626	1	1
<b>TOTAL</b>		25,082,174	105,060	-	-	25,187,234	24,594,531	311,125	-	24,905,656	281,578	487,643

	As At 31st March, 2011 (Rs.)	As At 31st March, 2010 (Rs.)
<b>SCHEDULE - 5 : INVESTMENTS</b>		
QUOTED AT COST		
27 EQUITY SHARES RELIANCE POWER	7,310	7,310
(P/Y 27 EQUITY SHARES)	<u>7,310</u>	<u>7,310</u>
<b>SCHEDULE - 6 : STOCK IN TRADES</b>		
(VALUED AT COST OR NET REALISABLE VALUE WHICHEVER IS LESS)	7,121,296	5,665,099
	<u>7,121,296</u>	<u>5,665,099</u>
<b>SCHEDULE - 7 : SUNDRY DEBTORS</b>		
(i) MORE THAN 6 MONTHS	60,777,887	64,842,126
(ii) OTHERS	<u>35,620,867</u>	<u>40,096,727</u>
	<u>96,398,754</u>	<u>104,938,853</u>
<b>SCHEDULE - 8 : CASH &amp; BANK BALANCES</b>		
CASH IN HAND	139,264	713,270
BALANCE IN CURRENT ACCOUNTS WITH: OTHER BANKS IN CURRENT ACCOUNTS	1,292,726	17,245,850
IN FIXED DEPOSITS	121,872	121,872
IN-SECURITIES	42,385	-
	<u>1,596,246</u>	<u>18,080,992</u>
<b>SCHEDULE - 9 : LOANS &amp; ADVANCES</b>		
(UNSECURED CONSIDERED GOOD)		
a. ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED)	166,297,988	116,846,792
b. TAX DEDUCTED AT SOURCE	282,695	2,600,475
c. MAT	270,553	-
d. VAT REFUNDABLE	6,765	32,493
	<u>166,858,001</u>	<u>119,479,760</u>

	As At 31st March, 2011 (Rs.)	As At 31st March, 2010 (Rs.)
<b>SCHEDULE - 10 : PROFIT &amp; LOSS ACCOUNT</b>		
ACCUMULATED LOSSES	12,175,043	12,969,412
LESS : NET PROFIT DURING THE YEAR	314,251	794,369
	<u>11,860,792</u>	<u>12,175,043</u>
<b>SCHEDULE - 11 : MANUFACTURING AND ADMINISTRATIVE EXPENSES</b>		
FEE & SUBSCRIPTION	326,875	124,293
PERSONNEL EXPENSES	2,760,089	2,134,032
PRINTING & STATIONERY	562,704	409,470
COURIER, POSTAGE & TELEPHONE	255,486	235,726
TRAVELLING & CONVEYANCE	99,571	92,848
CAR RUNNING & MAINT. EXP.	73,600	58,990
RENT,RATES & INSURANCE	756,501	10,200
AUDITOR'S REMUNERATION	44,120	44,120
ELECTRICITY EXPENSES	58,120	48,955
DEMAT CHARGES	3,248	-
WEBSITE MAINT. EXP.	-	215,280
GENERAL EXPENSES	-	19,329
AGM/EGM& SHARES TRANSFER EXPENSES	299,950	255,830
BAD DEBTS W/OFF	-	1,487,294
	<u>5,240,263</u>	<u>5,136,367</u>
<b>SCHEDULE - 12 : SELLING &amp; DISTRIBUTION EXPENSES</b>		
ADVERTISEMENT EXPENSES	12,254	96,273
	<u>12,254</u>	<u>96,273</u>

**SCHEDULE-13 : SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS****SIGNIFICANT 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.
- 2. Fixed Assets:**
  - (i) Fixed Assets are stated at their original cost less depreciation. Cost includes duties, taxes and expenses incidental to acquisition and installation.
  - (ii) Depreciation:  
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 30th September of the year are charged full year depreciation and those purchased after 30th September are charged half year depreciation.
- 3. 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.
- 4. 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.
  - b) Cash and Cash equivalents represent cash and bank balances only.
- 5. 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.
- 6. Provisions and Contingencies**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.
- 7. Revenue Recognition :**
  - (i) The company recognizes sale of product when they are invoiced to customer excluding sale tax / Vat and trade discount .
  - (ii) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.
- 8. Retirement Benefits**

There is no amount of gratuity liability or leave encashment or any other retirement benefits for which the company may be made liable to pay. Hence no provision for the same has been made as on the date of Balance sheet.
- 9. Impairment of Asset**

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the company recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale in accordance with AS-28 "Impairment of Assets", issued by the Institute of Chartered Accountants Of India. None of the company's fixed assets are considered for impairment as on the balance sheet date.
- 10. Prior Period expenses**

Prior Period expenses, if any significant, are charged to prior period ex-pense Account. Similarly extraordinary items, if any significant, are shown separately in the accounts statements.
- 11. 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.

**SVAM SOFTWARE LIMITED**
**12. 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.

**13. Taxation:**
**a) Current Tax:**

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.

**b) Deferred Tax:**

- i) 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 incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.  
ii) 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.  
iii) Deferred Tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of its realization.

**14. Provisions, Contingent Liabilities and Contingent Assets:**

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision for contingent liability is recognized in the financial statements and it is disclosed by way of notes. A contingent asset is neither recognized nor disclosed in the financial statement or in the notes.

**15. Other Accounting Policies**

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

**NOTES TO ACCOUNTS:**

1. Estimated amount of Contract remaining to be executed on Capital Account and not provided for: NIL (P.Y. NIL)  
2. **Contingent Liabilities not provided for:**
- |  | As on 31.03.11 | As on 31.03.10 |
|--|----------------|----------------|
| - Guarantees given by the company            | NIL            | NIL            |
| - On a/c of Rent Pending Litigation in Court | 694800.00      | 694800.00      |
3. The Company is engaged in the business of trading & development of Software packages.  
4. Quantitative Information required to be given under paragraph 3, 4C and 4D pursuant to Part II, Schedule VI of the Companies Act, 1956

**a) Sales and Purchase**

Particulars	Quantity	Amount (Rs.)	
		As at 31.03.2011	As at 31.03.2010
<b>(i) Sales</b>			
Software Packages	47758	13455857	110469937
Consumables	168	7537979	Nil
<b>(ii) Purchases</b>			
Software Packages	46142	201587663	106348759
Consumables	165	5689260	271481

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

**b) Opening and Closing Stock**

<b>(i) Opening Stock</b>				
- Finished Goods (Software Pack.)	34	5393618	28	4950000
- Finished Goods (Consumables)	1870	271481	Nil	Nil
<b>(ii) Closing Stock</b>				
- Finished Goods (Software Pack.)	31	3132608	34	5393618
- Finished Goods (Consumables)	254	3988688	1870	271481



5. Deferred Tax Assets for the year ended 31.03.2011 comprises of :

Particulars	As on 01.04.2010	During the year	As on 31.03.2011
On account of Difference of Book Depreciation & Tax Depreciation	965890	-28129	937761
On account of Brought Forward losses and allowances	765441	-539514	225927
<b>Total</b>	1731331	-567643	1163688

6. CIF Value of Imports NIL (P.Y. NIL)

7. Earning & Expenditure in foreign exchange

- a) Earnings NIL (P.Y. NIL)
- b) Expenditure NIL (P.Y. NIL)

8. **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.

9. Earning Per Share (In Rs.):

PARTICULARS	Current Year	Previous Year
Net Profit/Loss after tax	881894	794369
Number of Equity Shares held	16889000	16889000
Basic and Diluted Earning per share	0.05	0.05

10. Remuneration to Auditors: As required under item 4B of schedule VI of Companies Act, following amounts have been paid to auditors:

	2010-11	2009-10
a) Statutory & Tax Audit	44120	44120
b) As Advisor, or in any other capacity in respect of		
i) Taxation Matters	Nil	Nil
ii) Company Law matters & certificate	Nil	Nil

11. In the opinion of the Board, the value of Current assets, Loans & Advances if realised in the ordinary course of the business shall not be less than the amount at which those are stated in the Balance Sheet.

12. No provision has been made for leave encashment, gratuity and other retirement benefits, which are accounted for on payment basis only.

13. Balance confirmations, Sundry Debtors, Sundry Creditors, Deposits and the parties to whom the advances are given are subject to reconciliation and such are as per books of accounts only. Adjustment thereto having an impact of revenue nature, if any, will be made during the period in which the same are fully reconciled.

14. There was no person employed by the company who was in receipt of remuneration, which in aggregate was not less than Rs. 24 lac per annum, if employed through-out the year or Rs. 2 lac p. m. if employed for a part of the year.

15. All known liabilities have been accounted for in books of account.

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

For **M/S SNMG & CO.**  
Chartered Accountants  
FRN:004921N

Sd/-  
**(CA. NEERAJ GUPTA)**  
Partner  
Membership No. 087004

Place : New Delhi  
Dated : 25.08.2011

For & On behalf of the Board

Sd/-  
Managing Director

Sd/-  
Director

**SVAM SOFTWARE LIMITED****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No.	47327	State Code	55
Balance Sheet Date	31:03:2011		

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)**

Total Liabilities	206,438,000	Total Assets	206,438,000
<b>Source of Funds</b>			
Paid-Up Capital	168,890,000	Reserves & Surplus	37,548,000
<b>Application of Funds</b>			
Net Fixed Assets	281,578	Investments	7,310
Net Current Assets	193,124,633	Deferred Tax Assets (Net)	1,163,688
Profit & Loss Account	11,860,792		

**IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)**

Turnover including other Income	212,468,688	Total Expenditure	211,386,078
Profit Before Tax	1,082,610	Income Tax	200,716
Deferred Tax Assets	567,643	Profit After Tax	314,251

**V. GENERAL NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

Item Code No.	:	Not Applicable
(ITC) Product Description	:	SOFTWARE DEVELOPMENT & EXPORT, MARKETING OF SOFTWARE PACKAGES

---

As per Our report of even date attached

For **M/S SNMG & CO.**  
Chartered Accountants  
FRN:004921N

For & On behalf of the Board

Sd/-  
**(CA. NEERAJ GUPTA)**  
Partner  
Membership No. 087004

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Place : New Delhi  
Dated : 25.08.2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

PARTICULARS	AMOUNT 2011	AMOUNT 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation, and extraordinary items	1,082,610	1,409,518
<b>Adjustment for :</b>		
Depreciation	311,125	526,159
Interest & Finance Charges	1,710	5,604
Operating Profit Before Working Capital Changes	1,395,445	1,941,281
<b>Adjustment for :</b>		
Inventories	(1,456,197)	1,078,001
Sundry Creditors, Others Liabilities & Provisions	22,721,633	41,966,969
Sundry Debtors	8,540,099	(41,004,320)
Loan & Advances	(47,378,241)	7,292,521
Cash Generated from Operations	(16,177,261)	11,274,452
Interest paid	(1,710)	(5,604)
Direct Taxes	(200,716)	2,803,858
<b>Net Cash From Operating Activities (A)</b>	<b>(16,379,687)</b>	<b>14,072,706</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(105,060)	-
Investment in Shares	-	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(105,060)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	-	-
<b>Net Cash used in Financing Activities (C)</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in cash and cash equivalents ( A+B+C)	(16,484,747)	14,072,706
<b>Cash &amp; Cash Equivalents as at beginning of the yr.</b>	<b>18,080,992</b>	<b>4,008,286</b>
<b>Cash &amp; Cash Equivalents as at Closing of the yr.</b>	<b>1,596,245</b>	<b>18,080,992</b>

IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE ATTACHED

For **M/S SNMG & CO.**  
Chartered Accountants  
FRN:004921N

For & On behalf of the Board

Sd/-  
**(CA. NEERAJ GUPTA)**  
Partner  
Membership No. 087004

Sd/-  
Managing Director

Sd/-  
Director

Place : New Delhi  
Dated : 25.08.2011

BOOK POST

*If undelivered, please return to :-*

**SVAM SOFTWARE LIMITED**

S-524, Vikas Marg, Shakarpur,

Delhi - 110092

Printed by FIRST IMPRESSION, 9811224048, 9899576245