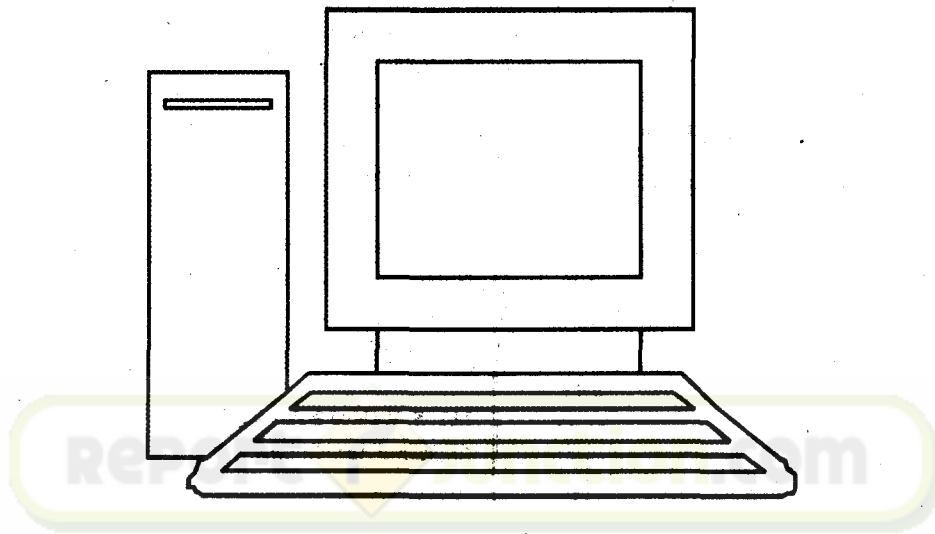


**ANNUAL REPORT
2001-2002**



**SHYAM SOFTWARE INDUSTRIES
LIMITED**

SHYAM SOFTWARE INDUSTRIES LIMITED**Annual Report
2001-2002****BOARD OF DIRECTORS**

Shri Shyamkishor Delhiwala *Chairman*
 Shri Niraj Delhiwala *Managing Director*
 Ms. (Dr.) Babita Mathur *Director*

COMPANY LAW CONSULTANT

Shri Kashyap R. Mehta,
Company Secretary,
 Ahmedabad.

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BANKERS

Bank of Baroda
 Nutan Nagrik Sahakari Bank Ltd.

AUDITORS

M/s. S. V. Dave & Associates,
Chartered Accountants,
 Ahmedabad.

LEGAL ADVISORS

Shri S. A. Desai,
Advocate,
 Ahmedabad.

REGISTERED OFFICE

C - 1, Sonarika Apartments,
IIM Road, Polytechnic Cross Roads,
 Ahmedabad - 380 015.

NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING of the Members of SHYAM SOFTWARE INDUSTRIES LIMITED will be held as scheduled below:

Date : 26th September, 2002

Day : Thursday

Time : 12 Noon

Place : At the Registered Office of the Company at:

C - 1, Sonarika Apartments, IIM Road, Polytechnic Cross Roads, Ahmedabad - 380 015.

to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the Financial Year 2001-02 ended on 31st March, 2002 and the Balance Sheet as on that date alongwith Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. (Dr.) Babita Mathur, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office :

C - 1, Sonarika Apartments,
IIM Road, Polytechnic Cross Roads,
Ahmedabad - 380 015.
Date : 28th June, 2002.

By Order of the Board,

Niraj Delhiwala
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, the 10th September, 2002 to Wednesday, the 25th September, 2002 (both days inclusive).
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the Change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is INE301B01012.

SHYAM SOFTWARE INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the SEVENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2001-02 ended on 31st March, 2002.

1. FINANCIAL RESULTS:

	2001-02	(Rs.in Lacs) 2000-01
Operating Loss (Before Interest & Depreciation)	0.25	5.71
Less : Interest	-	0.18
Loss before Depreciation	0.25	5.89
Less : Depreciation	-	-
Loss	0.25	5.89
Add : Balance brought forward from Previous year	18.39	12.50
Loss carried to Balance Sheet	18.64	18.39

No provision has been made during the year under review for Depreciation and Deferred Tax Liability.

2. DIVIDEND:

In view of losses suffered by the Company during the year under review and accumulated losses of the Company, the Board of Directors are unable to recommend any dividend on Equity Shares of the Company for the year under review.

3. OPERATIONS:

During the year 2001-02, the Company has generated income of Rs. 5.36 lacs by way of Student fees and other income as compared to Rs. 4.20 lacs during 2000-01. The Company suffered Operating Loss of Rs. 0.25 lacs during 2001-02 compared to Operating Loss of Rs. 5.71 lacs during 2000-01. The Company incurred Net Loss of Rs. 0.25 lacs during 2001-02 compared to Net Loss of Rs. 5.89 lacs during 2000-01.

4. DIRECTORS:

One of your Directors viz. Ms. (Dr.) Babita Mathur retires by rotation in terms of Articles 137, 138 and 139 of the Articles of Association of the Company. She, however, being eligible offers herself for reappointment.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2002 being end of the financial year 2001-02 and of the loss of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

6. DEMATERIALISATION OF EQUITY SHARES:

Consequent to the passing of the Depositories Act, 1996 and the introduction of the depository system, to facilitate holding of securities in dematerialised/electronic form, the Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Thus, shareholders have an option to dematerialise their shares with either of the depositories. The ISIN No. allotted is INE301B01012.

7. LISTING FEES:

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges. The Company has paid Annual Listing Fees in time to both the Stock Exchanges upto the year 2002-03.

8. CORPORATE GOVERNANCE:

The Company has initiated necessary steps for meeting the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance and the Board of Directors expect to comply with all requirements by the end of the year 2002-03.

9. GENERAL:**9.1 INSURANCE:**

The Company's properties continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages etc.

9.2 AUDITORS:

The present Auditors of the Company M/s. S. V. Dave & Associates, Chartered Accountants, Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. S. V. Dave & Associates, Chartered Accountants, have submitted certificate for their eligibility for appointment under Section 224(1-B) of the Companies Act, 1956. The notes and remarks of Auditors are self-explanatory and management offers the following explanations:

1. The management is hopeful of the recovery in due course of time Advances of Rs. 1,02,46,030/-, which are overdue for payment, hence no provision has been made in the accounts for the financial year 2001-02.
2. In view of the losses suffered by the Company, the Company has not provided Depreciation of Rs. 1,39,378/- in the accounts for the financial year 2001-02.
3. As the Company does not anticipate future taxable profit in the coming years, no provision has been made during the year to comply with Accounting Standard - 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.
4. The Investments has been classified by the management as 'Strategic Long-term Investments' and declined in their value is not being of permanent nature, the management is of the opinion that no provision is required for diminution in the value of Investments.

9.3 PARTICULARS OF EMPLOYEES:

There is no person drawing remuneration requiring disclosure under Section 217 (2-A) of the Companies Act, 1956.

9.4 DEPOSITS:

At the end of the Financial Year under Report, no Fixed Deposit remains unpaid which was due for repayment.

10. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

Your Company being in the industry of software development, the particulars relating to Conservation of Energy, Technology absorption etc. required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

11. ACKNOWLEDGMENT:

Your Directors express their sincere gratitude for the assistance and co-operation extended by Promoters, Banks, Government Authorities, Employees and Shareholders.

For and on behalf of the Board,

Place : Ahmedabad
Date : 28th June, 2002.

Shyamkishor Delhiwala
Chairman