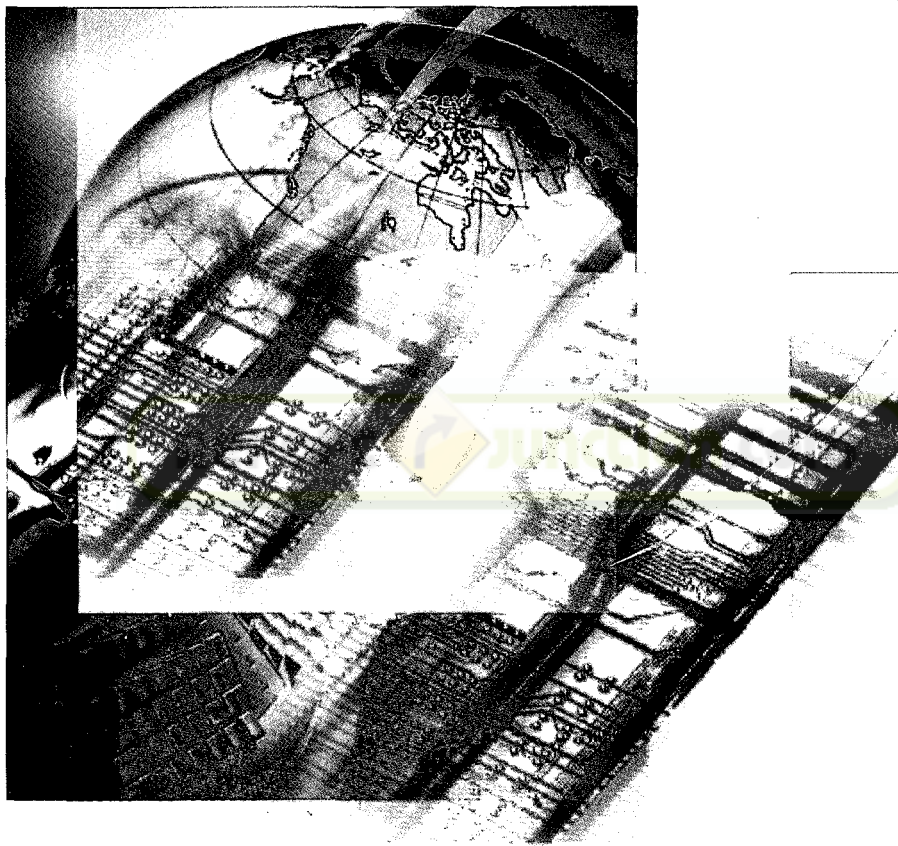


# 14<sup>th</sup> Annual Report 2006-07



SAVEN TECHNOLOGIES LIMITED



**Saven Technologies Limited****14<sup>th</sup> Annual Report****BOARD OF DIRECTORS**

Simon Mathews	Chairman
Sridhar Chelikani	Director
Dhari Al-Roomi	Director
John Oliver Brady	Director
Clive Menhinick	Director
T N J Raman	Director
R S Sampath	Director

**Auditors**

Rambabu & Co.,  
Chartered Accountants  
Hyderabad - 500 082.

**Bankers**

IndusInd Bank Limited  
Andhra Bank

**Registrar and Transfer Agent  
(Physical and Depository)**

Dakshin Consultants (p) Ltd  
6-3-655/2/4, Civil Supplies Bhavan Lane,  
Somajiguda, Hyderabad - 500 082.

**Registered Office**

No.302, My Home Sarovar Plaza,  
5-9-22, Secretariat Road,  
Hyderabad - 500 063.

**U.S. Subsidiary :** Saven Technologies Inc.,  
6250, North River Road,  
Suite 3050, Rosemont, IL 60018 USA

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**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Fourteenth Annual General Meeting of Saven Technologies Limited will be held on Thursday, the 20th day of September, 2007, at 10:30 AM at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended March 31, 2007 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors.
2. To appoint a Director in place of Mr. Simon Mathews, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Clive Menhinick, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Rambabu & Co., a firm of Chartered Accountants, as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors plus out-of-pocket expenses.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.R.S. Sampath who was appointed as an Additional Director of the Company on 6th February 2007 and who, in terms of Section 260 of the Companies Act, 1956 read with Articles 107 and 108 of the Articles of Association of the Company, holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, along with a deposit of Rs.500/-, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

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

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956. Mr.R.S. Sampath be and is hereby appointed as Manager of the Company for a period of two years with effect from 6th day of February 2007."

"FURTHER RESOLVED THAT Mr.R.S. Sampath shall not be eligible to draw any remuneration other than the sitting fees in his capacity as a Director attending the Board and Committee Meetings of the company."

- 7 To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modification(s), amendments or re-enactment(s) thereof and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and the Stock Exchanges, the subsisting guidelines and clarifications issued by the Government of India / Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) or any other relevant authority and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company and/ or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board") in its absolute discretion, to offer / issue and allot not more than 3,00,000 warrants, convertible, at the option of the warrant holder(s) within an aggregate time period of 18 months from the date of allotment of the warrants, into 3,00,000 Equity shares at Rs.10/- per share determined in accordance with the relevant SEBI Guidelines to Mr. Murty Gudipati, who is a key Management person referred to in the explanatory statement relating to this resolution and forming part of the notice attached hereto on a preferential basis in one or more tranches as the Board may in its absolute discretion decide and on such terms and conditions, as the Board considers fit, subject to the following:

The Warrants and the equity shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects.

The relevant date within the meaning of the Explanation to Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for the purpose of determination of applicable price for the issue of above mentioned warrants / equity shares is August 21, 2007.

The equity shares to be allotted on conversion of the warrants shall rank pari passu with the existing equity shares of the Company in all respects.

Out of the total No. of 3,00,000 warrants to be issued and allotted, 1,00,000 warrants qualify for conversion into equivalent Number of Equity Shares of Rs.10/- each during the financial year 2007-08, in one or more tranches and the balance of 2,00,000 warrants shall qualify to be converted into Equity Shares of Rs.10/- each during the financial year 2008 - 09, in one or more tranches, however subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be permissible after a period of 18 months from the date of allotment.

An amount equal to 10% of the price fixed under Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 in relation to each of the warrant shall be paid upfront by the persons to whom the allotment is being made, at the time of allotment of the warrant, and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against the warrants. Further, in the event the option of conversion of warrant into equity share is not exercised by the warrant holder, in terms of this resolution the upfront payment of 10% shall stand forfeited.

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"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as any be necessary, proper, desirable or expedient as it may deem fit."

"RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the above resolution."

8. To Consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modification(s), amendments or re-enactment(s) thereof and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and the Stock Exchanges, the subsisting guidelines and clarifications issued by the Government of India / Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) or any other relevant authority and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company and/ or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board") in its absolute discretion, to offer / issue and allot not more than 20,00,000 warrants, convertible, at the option of the warrant holder(s) within an aggregate time period of 18 months from the date of allotment of the warrants, into 20,00,000 Equity shares at Rs.10/- per share determined in accordance with the relevant SEBI Guidelines to the Promoter and Promoter Group who have been identified in the list mentioned in the Explanatory Statement attached to the Notice convening this Meeting, on a preferential basis in one or more tranches as the Board may in its absolute discretion decide and on such terms and conditions, as the Board considers fit, subject to the following:

The Warrants and the equity shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects.

The relevant date within the meaning of the Explanation to Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for the purpose of determination of applicable price for the issue of above mentioned warrants / equity shares is August 21, 2007.

The equity shares to be allotted on conversion of the warrants shall rank pari passu with the existing equity shares of the Company in all respects.

Out of the total No. of 20,00,000 warrants to be issued and allotted, 8,00,000 warrants qualify for conversion into equivalent Number of Equity Shares of Rs.10/- each during the financial year 2007-08, in one or more tranches and the balance of 12,00,000 warrants shall qualify to be converted into Equity Shares of Rs.10/- each during the financial year 2008 - 09, in one or more

tranches, however subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be permissible after a period of 18 months from the date of allotment.

An amount equal to 10% of the price fixed under Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 in relation to each of the warrant shall be paid upfront by the persons to whom the allotment is being made, at the time of allotment of the warrant, and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against the warrants. Further, in the event the option of conversion of warrant into equity share is not exercised by the warrant holder, in terms of this resolution the upfront payment of 10% shall stand forfeited.

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

"RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the above resolution."

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the Securities Contract (Regulations) Act, 1956 and the rules framed thereunder, listing agreement with the Stock Exchanges and other applicable laws, rules and regulations and guidelines and subject to such other approvals, permissions, sanctions etc. as may be necessary and subject to such conditions as may be prescribed by any authority while granting such approvals, permissions, sanctions, etc. which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee of the Board for the time being, exercising the powers conferred by the Board), the consent of the Company be and is hereby accorded to the Board to voluntarily delist the securities of the Company from The Hyderabad Stock Exchange Ltd., where the equity shares of the company are presently listed without giving an exit option to the shareholders of the region of the Hyderabad Stock Exchange."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, desirable and appropriate to give effect to the above resolution.

#### 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 the proxy need not be a Member. The proxy form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed, not later than 48 hours before the commencement of the meeting.



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2. The Register of Members and Share Transfer Books of the Company will remain closed from September 17, 2007 to September 20, 2007, both days inclusive.
3. Members / Proxies are requested to bring to the meeting their copies of the Annual Report and the Attendance Slip duly filled in for attending the meeting.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
5. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting so that the information required by them may be made available at the meeting.
6. Shareholders are requested to intimate immediately any change in the address registered with the Company. Members holding shares in dematerialised form are requested to notify any change in address to their respective Depository Participants (DPs).
7. Trading in the equity shares of the Company is compulsorily in dematerialised form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is INE 856B 01015.
8. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Depository) at the following address:  
Dakshin Consultants (p) Ltd.  
6-3-655/2/4, Civil Supplies Bhavan Lane,  
Somajiguda, Hyderabad - 500 082.  
Ph : 040-30688443, Fax : 040-30688441

**EXPLANATORY STATEMENT (pursuant to Section 173(2) of the Companies Act, 1956)****Item No. 5 & 6**

Mr. R.S. Sampath, aged 61 years has been on the Company's Board as Alternate Director to the Promoter, Mr. Sridhar Chelikani since 2001, excepting during the period when Mr. Sridhar Chelikani had visited India. Mr. R.S. Sampath was upon his resignation as an Alternate Director to Mr. Sridhar Chelikani, appointed as an Additional Director at the Board Meeting held on February 6, 2007. Mr. R.S. Sampath is a Chartered Accountant (B.Com, FCA) of the 1968 batch. The Company has received notice from a member along with a deposit of Rs.500/- proposing his appointment as Director of the Company.

Pursuant to the provisions of Article 132, read with Article 110(g) of the Companies Act, 1956, Mr. Sridhar Chelikani and Associates vide their letter dated January 29, 2007, nominated Mr. R.S. Sampath to be appointed as Manager of the Company under Sec 269 of the Companies Act, 1956, for a period of two years with immediate effect. The Board of Directors at their meeting held on February 6, 2007 considered the aforesaid letter and appointed Mr. R.S. Sampath as Manager of the Company for the purpose of the Companies Act, 1956, for a period of two years.

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Mr. R.S. Sampath shall not be eligible to draw any remuneration from the Company other than the sitting fees in his capacity as a Director attending the Board and Committee Meetings of the Company

Mr. R.S. Sampath is a member of Audit Committee, Investors' Grievances Committee and Remuneration Committee of the Company. He is Executive Director of Pennar Chemicals Limited and a Director of Pennar International Limited.

He is having about 38 years of rich and diverse experience in Finance, Accounts, Administration and General Management. He was with Voltas Ltd., over a period of 23 years and has been with the Pennar Group for the last 15 years.

Your Directors commend the resolution for your approval. None of the Directors is in any way concerned or interested in this resolution except Mr. R.S. Sampath and Mr. Sridhar Chelikani.

**Item No.7**

Your Company is proposing to offer and issue upto 3,00,000 warrants, and each warrant shall be convertible into one equity share of Rs.10/- each fully paid to Mr. Murty Gudipati, who is a key Management person.

As per regulation 13(IA) of the SEBI (Disclosure and Investor Protection) Guidelines 2000, the required details are furnished as under:

**1) Object of the Issue**

With a view to augment the long term financial resources of the Company including capital expenditure for future growth of the Company, to meet long term working capital requirements and for general corporate purposes at the discretion of the Board including acquisitions and investments, your Board proposes to issue warrants convertible into equity shares as per SEBI Guidelines.

**2) Pricing**

The issue of equity shares arising out of the conversion of warrants shall be at a price of Rs.10/- per share determined in accordance with relevant SEBI Guidelines.

**3) Payment and conversion terms**

10% of the value of the warrants is to be paid together with application for subscription of the warrants. The balance amount on 1,00,000 warrants is payable at the time of their conversion into equity shares at a date not later than 31st March 2008; the balance number of 2,00,000 warrants is payable at the time of their conversion into equity shares during the financial year 2008-09. In case, the options are not exercised as aforesaid, the application money will be forfeited by the Company.

**4) Intention of Mr. Murty Gudipati, Key Management Person**

Mr. Murty Gudipati, key Management person has expressed his intention to subscribe to the warrants proposed to be issued.



**Saven Technologies Limited****14<sup>th</sup> Annual Report****5) Relevant Date**

"Relevant Date" for the purpose of shares arising out of conversion of warrants is 21st August 2007 being the date, 30 days prior to the date of this annual general meeting.

**6) Shareholding Pattern of the Company before and after the issue**

The shareholding pattern before and the one likely to emerge after the proposed allotment and conversion of warrants would be as under:

Category	Pre-Issue		After the conversion of preferential warrants in FY 2007-08		After the conversion of preferential warrants in FY 2008-09	
	No. of Equity Shares held	% of holding	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Promoter and Promoter Group	38,11,669	38.20	38,11,669	37.82	38,11,669	37.09
NRI's / OCB's	11,91,401	11.94	11,91,401	11.82	11,91,401	11.59
Bodies Corporate	13,27,300	13.30	13,27,300	13.17	13,27,300	12.91
General Public	36,48,378	36.56	37,48,378	37.19	39,48,378	38.41
<b>Total</b>	<b>99,78,748</b>	<b>100.00</b>	<b>100,78,748</b>	<b>100.00</b>	<b>102,78,748</b>	<b>100.00</b>

**7) Proposed time within which the allotment shall be completed**

Allotment of the warrants shall be completed within a period of fifteen days from the date of obtaining shareholders approval or within a period of fifteen days from the date of obtaining necessary regulatory approvals as per the SEBI Guidelines, whichever is later.

**8) The identity of the proposed allottees, their shareholding, pre issue and post conversion of the warrants is as indicated below**

Name of the person	Category	Pre-Issue		After the conversion of Preferential warrants in FY 2007-08		After the conversion of Preferential warrants in FY 2008-09	
		No. of equity shares held	% of holding	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Murty Gudipati	Key Management Person	21,925	0.22	1,21,925	1.21	3,21,925	3.13

**9) Auditor's Certificate**

A certificate, as required under SEBI Guidelines, certifying that the proposed issue is in accordance with the said Guidelines has been obtained from the Auditors of the Company

**10) Lock-in**

The Fully Convertible warrants to be allotted on preferential basis and the shares arising out of the same, shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

**11) Change in Management**

The issue of equity shares and convertible warrants as aforesaid will not result in any change in the management or control of the Company.

The Company is taking necessary steps to obtain the requisite approvals from regulatory agencies, as may be applicable, for the proposed issue.

As per the provisions of Section 81 of the Companies Act, 1956 and the Listing Agreements entered into by the Company with various Stock Exchanges where the Company's Equity shares are listed, where at any time after the expiry of the two years from the incorporation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its incorporation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the existing shareholders in proportion of their shareholding. However, such further shares may be offered to any persons, whether or not they are included in the existing shareholders, if a special resolution to that effect is passed by the Company in the general meeting. As the warrants in the proposed issue are not being offered to all the existing shareholders in proportion of the paid up capital held by them, the special resolution in item no.7 is being placed for the approval of the members.

The Board of Directors of your Company commends the resolution for approval of the members.

None of the Directors of the Company are concerned or interested in the said resolution.

**Item No.8**

Your Company is proposing to offer and issue upto 20,00,000 warrants, and each warrant shall be convertible into one equity share of Rs.10/- each fully paid to the Promoter and Promoter Group.

As per regulation 13(IA) of the SEBI (Disclosure and Investor Protection) Guidelines 2000, the required details are furnished as under:

**1) Object of the Issue**

With a view to augment the long term financial resources of the Company including capital expenditure for future growth of the Company, to meet long term working capital requirements and for general corporate purposes at the discretion of the Board including acquisitions and investments, your Board proposes to issue warrants convertible into equity shares as per SEBI Guidelines.

**2) Pricing**

The issue of equity shares arising out of the conversion of warrants shall be at a price of Rs.10/- per share determined in accordance with relevant SEBI Guidelines.