

16th

Annual Report

2008-2009



Saven Technologies Limited**16th Annual Report****BOARD OF DIRECTORS**

Simon Mathews	Chairman
Sridhar Chelikani	Director
Clive Menhinick	Director
T N J Raman	Director
R S Sampath	Director
Murty Gudipati	Executive 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.,
1051 Perimeter Drive,
Suite 1175, Schaumburg,
IL 60173, USA

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Saven Technologies Limited

16th Annual Report**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Sixteenth Annual General Meeting of Saven Technologies Limited will be held on Thursday, the 24th day of September, 2009, at 4.00 P.M at 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, 2009 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. T N J Raman, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R S Sampath, 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. Murty Gudipati who was appointed as an Additional Director of the Company on March 13, 2009 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(s), the following resolution as an ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 311, 314 and schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the consent of the shareholders of the company be and is hereby accorded to the appointment of Mr. Murty Gudipati as Executive Director of the Company for a period of two years from and including March 13, 2009 and that the following remuneration recommended by the Board's Remuneration Committee be and is hereby approved to be paid to Mr. Gudipati during the said period he holds office as Executive Director : -

- a. Remuneration:

Salary: Basic salary at the rate of Rs 50,000/- per month.

- b. In addition to the above Basic Salary, he shall be entitled to the following allowances and perquisites namely:-

- i. Other Allowances: The Company shall pay City Compensatory Allowance of Rs.40,000/- and Special Allowance at Rs 50,000/- per month.

- ii. Medical: Reimbursement of all medical expenses incurred for self, spouse, children and dependant parents to the extent of Rs 15,000/- per annum. He will be covered under Group Hospitalization for self, spouse, children and dependant parents and Accident Insurance Scheme for self as per the Company's rules.

- iii. Leave Travel Assistance: Leave Travel Assistance for self and family, maximum upto 1(one) month's Basic Salary, once in a year for any destination in India or, if agreed to by the Board, abroad.

- iv. Use of Vehicle(s): Company maintained vehicle(s)

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for use for the Company's business, (the expenditures on such vehicle(s) shall not be considered as a perquisite)

- v. Communications facility at Residence: Telephone and Communication facilities at the residence, namely, fax, E-mail, internet, etc, the expenditure on which shall not be considered as a perquisite
- vi. *Provident Fund: Contribution to the Provident Fund* in accordance with the rules of the Company subject to a ceiling of 12% of the Basic salary, as per prevailing rules or as may be notified by the Government from time to time.
- vii. *Gratuity:* Payable in accordance with the rules of the Company as applicable or as may be notified by the Government from time to time.
- viii. *Earned/Privilege Leave:* Leave with full pay and allowances, in accordance with the rules of the Company.

Memorandum of Concern or Interest:

Apart from Mr. Murty Gudipati, none of the other Directors is concerned or interested in the above matter

"FURTHER RESOLVED THAT Mr. R.S. Sampath, Director, be and is hereby authorized to take all necessary steps and do all such acts, deeds and things as may be required for giving 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.
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from September 18, 2009 to September 24, 2009, 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. In compliance of the SEBI circular no.MRD/DoP/ Cir-05/2009 dated May 20, 2009, the shareholders/ transferees (including joint holders) holding shares in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
- 9. 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

EXPLANATORY STATEMENT (pursuant to Section 173(2) of the Companies Act, 1956)

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Item No. 5 & 6

Mr Murty Gudipati is an Engineering Graduate (B.Tech - ECE) with M.S. in Computer Engineering from Clemson University, USA.

Mr Murty Gudipati has more than 10 years of experience in information technology. Mr.Murty Gudipati worked as Software Consultant at MCI Corporation, New York, USA and Dow Jones Company, Princeton, New Jersey, USA from 1993 till 1995. He also worked as Engineering Manager at Interactive Data Corporation, New York, USA (1995 -2006).

Mr. Murty Gudipati was appointed as an Additional Director of the Company at the Board meeting held on March 13, 2009 and holds office till the commencement of the ensuing Annual General meeting. The company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature as a director along with the requisite deposit.

Mr. Murty Gudipati has been the Head of the Company's Offshore Development Center for a period of two years and he has enlarged the team to about 30 members with billing of USD half a Million from India to US. In order to benefit from his experience and avail his expert advice, the Board of Directors of the Company has co-opted him on the Board as Executive Director

On the recommendation of the Remuneration Committee, the Board, at its meeting held on March 13, 2009, approved the terms and conditions of Mr. Murty Gudipati's appointment, subject to the approval of the shareholders.

The terms of appointment and remuneration including minimum remuneration proposed to Mr. Murty Gudipati are fully set out in the resolution No. 6 herein before written. The same constitutes the abstract of the terms of appointment of Mr. Murty Gudipati as required

under Section 302 of the Companies Act, 1956.

No Director of the Company other than Mr. Murty Gudipati is concerned or interested in the resolution.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT THE ENSUING ANNUAL GENERAL MEETING (Pursuant to Clause 49 VI(A) of Listing Agreement with Stock Exchanges)

Mr. T N J Raman

Mr. T N J Raman aged about 78 years received B.A (Hons) in Economics from Delhi University and post graduation in Personnel Management and social work from Kolkatta University. With over 40 years of experience in Personnel Management and Manpower Development. Mr. Raman has held senior position in ITC, Lipton and Union Carbide. He served as an Executive Director on the Board of Jenson & Nicholson.

Mr T N J Raman serves on the Audit, Investors Grievances and Remuneration Committees of the Board of the Company. He is a Director on the Board of Pennar Chemicals Limited and also serves on its Remuneration Committee.

Mr R S Sampath

Mr. R S Sampath is a Chartered Accountant (B. Com, FCA) of the 1968 batch. Aged 63 years, he is having about 40 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 Pennar Group for the last 17years.

By Order of the Board
for Saven Technologies Limited

Place : Hyderabad
Date : August 12, 2009

Ansu Elezabeth Thomas
Company Secretary

Saven Technologies Limited**16th Annual Report****DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their 16th Annual Report on the business and operations of your Company for the year ended March 31, 2009.

Financial Results

Your Company's total revenue was at Rs. 38.81 Million as against Rs.35.85 Million for the previous year. Software development and service by Offshore Development Center had recorded an increase of 75% from Rs. 11.90 Million to Rs. 20.80 Million during the year ended March 31, 2009. The net profit for the year was Rs.3.09 Million as against a net loss of Rs.3.23 Million for the previous year.

Your Company and its Subsidiary in USA, Saven Technologies Inc. achieved a consolidated income of Rs. 594.78 Million as against Rs.604.22 Million for the previous year. By most counts 2008 was a challenging year for IT Companies, mostly due to the credit-induced economic crisis in the US. Due to substantial slowdown and recession many Companies had either pruned down their IT spending or had postponed. This has resulted in a reduced revenue generation and an increase in the bench cost of the employees. In addition, the US subsidiary had to bear an unfavourable fluctuation in the foreign exchange variation of Rs.5.95 Million as compared to a favourable fluctuation of Rs.0.67 Million for the previous year. As a result, the consolidated loss for the year was Rs. 19.55 Million compared with a profit of Rs. 16.60 Million for the previous year. However, due to reduced provision of income tax of Rs. 0.38 Million as against Rs. 9.73 Million for the previous year and after adjustment of Minority Interest the net consolidated loss for the year was Rs. 10.29 Million as against net consolidated profit of Rs. 5.07 Million for the previous year.

Business Overview:**Off-shore Development Center**

The economic slowdown in US is forcing small business enterprises to optimize their IT output by outsourcing their work to Offshore Development Centers. The Companies have also shown open minded approach in this regard and have further accelerated an emerging emphasis on improving business performance. Your Company has also been involved in a lot of pre-sales

activities. The Company is also planning to enlarge the strength of the developers by more than 50% from the present level, after these engagements turnout to be revenue generating projects. Your Company's Software Development Center is also in the process of delivery data base tool that manages exchange traded funds and are also in the process of building advanced screening tools for ETFs for use by retail investors.

Your Directors are pleased to inform you that applications developed by your Offshore Development Center with their capabilities on new web technologies like Adobe Flex and Microsoft Silver Light in Rich internet Application space have been well appreciated. In addition, the analytical libraries built by the center to facilitate traders have provided tremendous value to our customers' products and this has strengthened the level of trust of our customers in our analytical capabilities.

Your Company's Software Development Center has recently engaged itself in building Mobile Applications using iPhone and Google's Android platforms.

The Company is also examining various opportunities available to it from the domestic market including deployment of tools built for US based fund managers for their Indian counterparts. The size of Saven being relatively small, it is seeking a modest share of the business and the Company is optimistic of withstanding the adverse effect of the present slow down.

IT Enabled Services

Your Company continued to operate in a small way in the financial service segment. While there is no immediate plan to scale up the operations in this segment, the Company would examine the various alternatives available for development of business in this segment.

Subsidiary Companies:

The US subsidiary, IT services provider, specializes in planning, managing and implementing information technology solutions, besides offering consultancy services onsite, offsite and offshore basis. Saven also develops products complementary to its consulting operations which further add measurable value to its clients.

The ongoing economic crisis has significantly impacted global economic growth. According to World Bank forecast, world economy is set to grow at a modest

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0.9% in 2009, whilst the US is said to contract by 0.5%. This has impacted the performance of your subsidiary Company, Saven Technology Inc. The total income for the year ended March 31, 2009 was \$ 13.14 Million as compared to \$14.50 Million, a reduction of almost 10%. However, in terms of rupees, the total income was Rs.592.22 Million as compared to Rs. 600.00 Million for the previous year, since the income was converted into rupees at a much favourable foreign exchange rate for the year 2008-09. Due to substantial increase in the personnel cost in terms of revenue owing to bench costs and reduced revenue due to pressure on billing, the subsidiary incurred a net operating loss of Rs. 15.93 Million as against a profit of Rs. 15.22 Million for the previous year. However, owing to reduced income tax burden, the net loss was Rs. 16.40 Million as against a profit of Rs. 4.80 Million for the previous year. Your subsidiary has implemented various cost cutting measures including pruning the staff by 15% and at the same time strengthening the marketing staff to increase the volume of business. With signs of improvement, Saven, US, is aggressively pitching to increase the number, despite the rather stringent conditions in the immigration process.

Saven Technologies (UK) Limited, a wholly-owned Subsidiary of your Company in UK, did not have any operations during the year under review. As it is not worthwhile to make this subsidiary again operational, it is proposed to approach the regulatory authorities to seek their permission to strike off its name from the list of Companies.

The Annual Reports of these subsidiaries have been attached to this Report as required under Section 212 of the Companies Act, 1956.

Joint Venture

Penrillian Limited, a joint venture of your Company in UK is in the business of software development for wireless information devices. Despite unprecedented economic slowdown, your joint venture was able to sustain its operation and continue to provide high end technical solutions to leading mobile Companies.

Consolidated Financial Statements

In conformity with Clause 32 of the Listing Agreement with the Stock Exchange and as required by Accounting Standard 21 issued by The Institute of Chartered Accountants of India (ICAI), the Consolidated Financial

Statements of your Company and its Subsidiaries are published in the Annual Report in addition to their individual financial statements.

Dividend

In the absence of distributable profits, your Directors regret their inability to recommend any dividend for the year under review.

Fixed Deposits

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

Management Discussion & Analysis and Corporate Governance

The "Management Discussion and Analysis Report" highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Directors' Report.

As per the requirements of the Listing Agreement with Stock Exchanges, a report on Corporate Governance duly audited is annexed for information of the Members.

Directors

Mr. R.S. Sampath, Director had been appointed as Manager under the Companies Act, 1956, with effect from February 06, 2007 for a period of two years. After the said term expired on February 05, 2009, Mr. R.S. Sampath continued to be a Director. The Board placed on record its appreciation of the contribution made by Mr. R.S. Sampath during his tenure as Manager under the Companies Act, 1956.

Mr. Murty Gudipati was appointed as an Additional Director on the Board of the Company with effect from March 13, 2009 and would hold office upto the date of the ensuing Annual General Meeting. A resolution for his appointment as a Director of the Company has been included in the Notice for the ensuing Annual General Meeting. Mr. Murty Gudipati was also appointed as Executive Director of the Company for a period of two years with effect from that date.

Pursuant to Article 125 of the Articles of Association of your Company, read with Section 256 of the Companies Act, 1956, Mr. T.N.J. Raman & Mr. R.S. Sampath retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

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For perusal of the shareholders, a brief resume of the Directors to be appointed / re-appointed along with other necessary particulars are given in the Explanatory Statement to the Notice. The Directors commend their appointment / re-appointment.

Mr. Dhari Al-Roomi who had been a member of your Board of Directors from April, 2000 ceased to be a Director of the Company with effect from September 22, 2008. The Board placed on record its appreciation of the contribution made by Mr. Dhari Al-Roomi during his tenure as a Director.

Auditors

The Auditors, Rambabu & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

Auditors' Qualification

The qualification made by the auditors in their report regarding the accounts for the period ended March 31, 2009 has been dealt with in the Notes to Accounts. (Schedule 13) and is self-explanatory.

Directors' Responsibility Statement pursuant to Section 217(2AA) of the Companies Act 1956

Your Directors state:

That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2009 and the Profit of the Company for that financial year;

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;

That the Directors have prepared the Annual Accounts on a going concern basis.

Disclosure as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

In terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 your Directors furnish the required details below:

Conservation of Energy

The nature of the Company's operations require a very low level of energy consumption.

Research and Development (R&D)

The Company continues to look at opportunities in the areas of research and development in its present range of activities.

Technology Absorption

The Company has not imported any technology during the year.

Foreign Exchange Earnings and Outgo

During the year under review, your Company earned foreign exchange aggregating to Rs. 16.05 Million. The Foreign Exchange outgo during the year was nil.

Particulars of Employees

During the year under review, none of the employees of the Company have drawn remuneration as specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Acknowledgments

Your Directors thank the investors, bankers, clients and vendors for their continued support. Your Directors place on record their appreciation of the valuable contribution made by the employees at all levels.

For and on behalf of the Board

Place :Hyderabad

Simon Mathews

Date : August 12, 2009

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (forming part of Directors' Report)**a. Industry Structure and Developments**

The Indian IT Industry has been going through a most challenging time. The Industry which is credited to have brought India on the forefront of the global map is struggling with economic turmoil in its biggest market. After enjoying 30% + growth rate for the last couple of years, Nasscom has announced in its findings that the industry could record a growth of 16.3% in the financial year 2008 - 09. The slowdown will result in terms of reduced growth rates, pricing pressures, cancellations, delays or no orders. The rising unemployment in the US has also evoked anti-outsourcing sentiments. The forecast of World Bank that the World economy is set to grow at a modest 0.9% in 2009 whilst the US, is set to contract by 0.5% indicates a tough business outlook for Indian IT Companies. The activities like restructuring and acquisitions to combat slow down, also have a negative impact on the continuation of business with existing clients. The domestic segment however grew by 21% to register a revenue of INR 570 billion in the financial year 2008-09. Domestic segment is expected to get a special boost with large transformational deals in telecom and e-governance.

b. Opportunities, Threats, Risks and Concerns

Changing economic and business conditions are creating an increasingly competitive market environment, driving corporations to transform the manner in which they operate. The role of technology has evolved from supporting operations to transforming them. The ability to design, develop and implement technology platforms and solutions to address business and client needs has become a competitive advantage. Further, the surge in growth in IT spending within India has created a new avenue for the domestic companies.

While the decreasing IT spends, drop in volumes and margin pressure will mean trouble for several small and mid-tier IT Companies, the bigger IT Companies with diverse services, quality control and strong Balance Sheets are better placed to weather the current head winds.

In a dynamic Industry such as Information Technology, risk is an inherent aspect of business. The volatility in the foreign exchange rate can adversely affect our revenue and margins. In an economic slowdown, reduction in IT spending or postponement may further impact the business. The political concerns on the issue of outsourcing and protectionism could create uncertainty in the business developments. However, your Company including its US Subsidiary is closely

monitoring the developments in the Industry and will continue to regularly monitor risk levels on various parameters and evolve strategies to mitigate the risk.

c. Outlook

Your Company continues to provide enterprise software development services using open source technologies for US clients in the financial market data services segment. The Company has been able to expand into more phases of integrated software development life cycle as mutual trust with the client has been established. This has enabled the Company to take more control over Project execution including Collection / Analysis, Architecture, Design, Coding/Debugging, Production Deployment and Support. The slowdown in US is forcing small business enterprises to optimize their IT output by outsourcing their work to offshore development centers. The Company is presently engaged in a lot of presale activities. It is sincerely hoped that these engagements will turn out to be revenue generating projects.

d. Internal Control Systems and their adequacy

There are adequate internal control procedures and internal audit systems commensurate with the size of the Company and the nature of its business. The Management periodically reviews the internal control systems for further improvement.

e. Discussion on financial performance with respect to operational performance

The financial statements have been prepared under the historical cost convention, on the basis of a going concern.

Financial condition**1. Share Capital**

The authorized Share Capital of the Company is Rs.16 Crores divided into 1.6 Crores of Equity Shares of Rs.10/- each.

The Issued and subscribed Share Capital was 10,878,748 Equity Shares of Rs.10/- each.

2. Preferential Warrants Funds Utilization

An amount of Rs.10.40 Million received towards Preferential Warrants, during the year 2007-08. An amount of Rs.3.60 Million has been utilized towards Capital Expenditure, towards Working Capital Rs.1.00 million and the balance amount of Rs.5.80 Million has been deposited in Fixed Deposits in a Scheduled Bank.

Saven Technologies Limited**16th Annual Report****3. Reserves and Surplus**

There has not been any change in the Share Premium amount during the year and the same stands at Rs.1,89,47,380/-.

During the year, the Company has forfeited 1,400,000 Warrants issued on Preferential basis and the amount paid on these warrants of Rs.1,400,000 was transferred to Capital Reserve.

4. Fixed Assets

Addition to the Gross Block in fiscal 2009 amounted to Rs.7.15 lakhs (Rs.30.12 lakhs in fiscal 2008).

The significant additions in fiscal 2009 were Hardware and Software of Rs.2.55 lakhs (Rs.6.86 lakhs in fiscal 2008) and Furniture & Fixtures and Air Conditioners of Rs.2.80 lakhs (Rs.19.89 lakhs in fiscal 2008) and Electrical Fittings of Rs.1.80 lakhs (Rs.2.54 lakhs in fiscal 2008).

5. Investments

The Company had, during the previous years, made strategic investments aggregating to Rs.20.16 Million in its Subsidiaries / Joint Venture. During the year 2001-02, the Company had provided diminution in the value of the investments to the extent of Rs.0.61 Million.

6. Net Current Assets

The net current assets of the Company have increased to Rs. 37.07 Million as on March 31, 2009 from Rs. 31.59 Million the previous year. The current ratio as on March 31, 2009 was 9:1.

7. Results of Operations

The total income for the year ended March 31, 2009 was Rs. 38.81 Million as compared to Rs. 35.85 Million for the previous year. The Operating Profit for the year under review, before depreciation, was Rs. 6.27 Million, as compared to Rs.1.08 Million Operating Loss for the previous year. After considering depreciation of Rs. 3.10 Million and Fringe Benefit Tax (FBT) aggregating Rs.0.072 Million for the year under review, the Net Profit was Rs. 3.09 Million, as compared to a Net Loss of Rs. 3.23 Million for the previous year.

The Technology Consultancy Services were discontinued with effect from January 01, 2009 and that the financial results under this segment were only for the period of nine months. The total income for the year ended March 31, 2009 was Rs. 14.99 Million as compared to Rs. 20.59 Million for the previous year.

The Offshore Development & Services income for the year ended March 31, 2009 was Rs. 20.80 Million as compared to Rs. 11.90 Million for the previous year.

The other income includes favourable foreign exchange variance of Rs. 1.75 Million as compared to unfavourable foreign currency fluctuation for the previous year.

f. Material developments in Human Resources / Industrial Relations front, including number of people employed

Being engaged in a people-oriented business, it has always been the Company's endeavour to create and encourage talent by providing a good working environment, need based training, career growth plans and a fairly competitive remuneration package.

Saven Employees Foundation Trust continues to hold 200,000 equity shares of Rs.10/- each, for grant of stock options to the Company's employees.

As at the end of the year, the Company had 40 employees on its rolls. The Company recruits the required personnel depending on its requirements from time to time.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in the above discussion are of a forward-looking nature and it will be appreciated that the Company cannot guarantee that these expectations will be realised. Actual results and outcome may, despite efforts on the part of the Company, differ materially from those discussed.

for and on behalf of the Board

Place : Hyderabad
Date : August 12, 2009

Simon Mathews
Chairman