

BOARD OF DIRECTORS

Simon Mathews	Chairman
Sridhar Chelikani	Director
Clive Menhinick	Director
R.S. Sampath	Director
Wg. Cdr. (Retd.) A.B. Bhushan	Additional 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)**

XL Softech Systems Ltd.
3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

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

Company Secretary
Ansu Elezabeth Thomas

CONTENTS

Notice of Annual General Meeting	2 - 5
Directors' Report	6 - 8
Management Discussion and Analysis Report	9 - 11
Compliance Report on Corporate Governance	12 - 18
Auditors' Report	19 - 21
Financial Statements	
Balance Sheet	22
Profit and Loss Account	23
Schedules	24 - 28
Significant Accounting Policies and Notes on Accounts	29 - 33
Cash Flow Statement	34
Balance Sheet Abstract and Company's General Business Profile	35
Statement pursuant to Section 212 of the Companies Act, 1956	36
Financial Statements of Subsidiary Company	
Saven Technologies, Incorporated	37 - 41
(a subsidiary of Saven Technologies Limited)	
Consolidated Financial Statements prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP)	42 - 54
Attendance Slip & Proxy Form	55

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of Saven Technologies Limited will be held on Wednesday, the 15th day of September, 2010, at 10.30 A.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, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
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 Wg. Cdr. (Retd.) A.B. Bhushan who was appointed as an Additional Director of the Company on August 13, 2010 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 a special resolution

"RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on September 24, 2009 and in accordance with the provisions of Sections 198, 269, 309, 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 for the change in terms of appointment and remuneration payable to Mr. Murty Gudipati, Executive Director, as recommended by the Board's Remuneration Committee for a period of two years from and including August 13, 2010 on the following basis :-

- a. Remuneration:

Salary: Basic salary at the rate of Rs.75,000/- 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.70,000/- 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) 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 will 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 allowance, in accordance with the rules of the Company.

Minimum Remuneration

In case of loss or inadequacy of profits during the tenure of office of Mr. Murty Gudipati, the remuneration as decided by the Board from time to time shall be paid to Mr. Murty Gudipati as minimum remuneration with the approval of Central Government, if required.

FURTHER RESOLVED THAT so long as Mr. Murty Gudipati functions as the Executive Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.

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".

By Order of the Board
for Saven Technologies Limited

Place : Hyderabad Ansu Elezabeth Thomas
Date : August 13, 2010 Company Secretary

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 him-self 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 10, 2010 to September 15, 2010, 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 dematerialized 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 dematerialized 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:

XL Softech Systems Limited
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad - 500 034.

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

Item No. 5

Wg. Cdr. (Retd.) A.B.Bhushan was appointed as the Additional Director in the Board meeting held on August 13, 2010 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.

Wg. Cdr. (Retd.) A.B. Bhushan is an MBA from Madras University. He has 25 years of experience in Indian Air Force. He was the President of Indo American Chamber of Commerce AP Chapter for the year 1997-98, Regional President Indo US Chamber of Commerce South India-2003-2004 and is an Executive Committee Member of the National Council and was a member of Southern Regional Council for a number of years. He was the President of the Hyderabad Management Association during 1995-96, was the Committee Member of the All India Management Association Council for a number of years and as is an accredited Management Teacher of AIMA. He was awarded the Member of the Year by the Hyderabad Management Association for his contribution to Management Education in Andhra Pradesh for the year 1994-95. He is the Vice Chairman of Zilla Sainik Welfare Board Hyderabad. Apart from the foregoing he is in the Committee of the Federation of AP Chambers and Industry for a number of years, HRD Network and other social and professional bodies.

No Director of the Company other than Wg. Cdr. (Retd.) A.B.Bhushan is concerned or interested in the Resolution.

Item No. 6

Mr. Murty Gudipati was appointed as the Executive Director of the Company for a period of two years with effect from March 13, 2009, at the Annual General Meeting held on September 24, 2009 and the remuneration payable to him was also approved at the aforesaid Annual General Meeting. Mr. Murty Gudipati has immensely contributed to the progress and development of the Company when global economic scenario was in the decline. The present term of his appointment will expire on March 12, 2011 and it is considered desirable to amend the terms of his appointment including the remuneration.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on August 13, 2010, approved the revision in the terms of appointment and remuneration payable to Mr. Murty Gudipati, for a period of two years from and including August 13, 2010, subject to the approval of the shareholders.

Additional particulars of the appointee

Information about the appointee

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 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 55 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 had co-opted him on the Board as Executive Director.



Statutory Information

Saven Technologies Limited, established about 15 years ago, had commenced export of software solutions and applications for its US Subsidiary three years ago.

Owing to the setback in the US economy, the envisaged growth could not be achieved. In the absence of inadequate profits as required under sections 198 and 309 of the Companies Act, 1956, the Directors recommend remuneration for Mr. Murty Gudipati consistent with the provisions of Schedule XIII. Having regard to the present signs of improvement in US economy, it is hoped that the company would grow both in terms of revenue and profitability.

The proposed remuneration which is very low when compared to Industry Standards is approximately 33 percent more than the remuneration last drawn by Mr. Murty Gudipati. It may be added here that he does not have any pecuniary relationship directly or indirectly with the Company or any of its managerial personnel.

The revised terms of 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 Exchange)

Mr. Simon Mathews

Mr. Simon Mathews, aged 76, received his B. Com, M.A. and L.L.B. from the Calcutta University. He is a member of the Institute of Chartered Secretaries & Administrators, London, and The Institute of Company Secretaries of India, New Delhi. Mr. Simon Mathews is

an Advocate and Corporate Counsel and has been advising a number of Companies. Before setting up independent practice, he was associated with MNCs and Indian Companies for nearly three decades.

Mr. Simon Mathews is a Director and a member of the Remuneration Committee and the Audit Committee of Vijayanagar Biotech Limited.

He is a member of the Audit Committee and Remuneration Committee and Chairman of the Investors' Grievances Committee of the Board of Saven Technologies Limited.

Mr. Clive Menhinick

Mr. Clive Menhinick, aged 57, has been on the Company's Board since February, 2001. He serves as a Director on the Boards of Tri Reme International Limited, UK, Penrillian Limited, UK, Multi Channel Commerce Limited, UK and Onperson International Limited, UK. Mr. Clive Menhinick received B.Sc Honors Degree in Physics from the University of Liverpool and a Diploma in Company Direction from the University of Bradford. He is Fellow Member of the Institute of Directors, UK.

With over 20 years of professional experience in CAD Consultancy, Advanced Software Development Consultancy and Training, Mr. Clive Menhinick possesses expert knowledge in the areas of Business Development, Sales and Accounting. Mr. Clive Menhinick has been involved in latest developments in certain software techniques.

Mr. Clive Menhinick is not a member of any Committee within the meaning of Clause 49 of the Listing Agreement with Stock Exchange.

By Order of the Board
for Saven Technologies Limited

Place : Hyderabad
Date : August 13, 2010

Ansu Elezabeth Thomas
Company Secretary



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 17th Annual Report on the business and operations of your Company for the year ended March 31, 2010.

Financial Results

The Financial year 2009-10 was a very challenging year for the industry, particularly to a small sized Companies. A weak demand and pricing environment made it difficult for IT Companies to sustain growth and margins.

The total Revenue of the Company for the financial year ended March 31, 2010 was Rs.25.74 Million as against Rs.38.81 Million for the previous year. The Company had discontinued the operations of Technology Consultancy Services from January, 2009; hence the shortfall in the revenue as compared to that of the previous year. Software development and services had recorded an increase of 18% to Rs.24.46 Million, despite an unprecedented economic slowdown in the US. The Profit for the year was Rs.2.54 Million as compared to Rs. 3.09 Million for the previous year.

The consolidated income of your Company and its Subsidiary, Saven Technologies Inc. was Rs.504.10 Million as compared to Rs.594.78 Million for the previous year. Even though the recessionary trend in the US turned positive from the 3rd Quarter, the growth was very sluggish. As a result the consolidated loss for the year was Rs.6.57 Million as compared to Rs.19.94 Million for the previous year. After adjustment of minority interest the net consolidated loss was Rs.3.20 Million as against Rs.10.29 Million.

Business Overview:

Your Company is developing applications predominantly for the financial sectors and had gained a reasonable insights into developing real time execution & trading systems for World Trading Exchanges such as NYSE, NASDAQ, BATS etc. The Company foresees a good demand in this area of low-latency, high frequency trading systems known as Algorithmic Trading Systems and hence continue to focus developing systems in these areas. Your Company has also commenced night shift operations to collect ETF & MF data from US and Exchanges elsewhere for a key client; significant growth in this area is seen as we have started

expanding ETF & MF Universe and develop analytics on top of the collected raw data. The challenge for the Company is to enhance the investment to grow the business given the uncertainty in the global environment. The Company is hiring aggressively campus recruits for training them on various technologies and stock market data domain. The Company is also investing in R & D on Android application development in mobile space. While the concerns about economic recovery continue to weigh on investors, the Company has plans to get CMMI level 2 Certificate to improve the market reach. Saven being relatively small-sized entity, it is seeking a modest share of the business and the Company is reasonably optimistic of withstanding the adverse effect of the slowdown.

Subsidiary Companies:**Saven Technologies, Incorporated - US**

With US struggling with recessionary trends, your subsidiary could achieve a revenue of \$ 10.53 Million (Rs.500.00 Million) as against \$ 13.14 Million (Rs.592.22 Million) a reduction of 20% in terms of dollar revenue. However, the Subsidiary's Net loss was contained at \$ 0.21 Million (Rs.1 Million) as against \$ 0.36 Million (Rs.1.63 Million) for the previous year. Saven's on-site consultants use proven methods and tools to rapidly implement and customize enterprise applications to fit client's business processes; cost effectively enhance and upgrade their systems to keep pace with application changes and enhancements. Despite the uncertainty, the consulting market had improved during the current financial year. A number of business opportunities are opening in the financial sector where the exposure is predominant. The key factor is to identify and hire the right talent. It is proposed to increase rapidly the strength of billable staff to capture the emerging markets, despite time consuming process and costs involved in the immigration.

Saven Technologies (UK) Limited

Pursuant to application filed by the Company, Reserve Bank of India has noted dissolution of Saven Technologies (UK) Limited, Company's wholly owned Subsidiary in UK.

The Annual Report of Saven Technologies Inc., the US Subsidiary is annexed 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 to provide high end technical solutions to leading mobile Companies. Your Joint Venture was not only able to sustain its operations but also excel in its performance despite unprecedented contraction in the global economic growth particularly in the European countries including UK. The total revenue of the Joint Venture would be around £ 1.3 Million, an increase of about 30% compared to that of the previous year.

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. T.N.J. Raman, Director expired on May 19, 2010. Mr.T.N.J.Raman had been on the Board of the Company since February, 1996, i.e. almost since the inception of the Company and with his vast experience and knowledge had been of immense value to the Company.

The Board placed on record the valuable contribution made by Mr. T.N.J. Raman during his tenure as a Director of the Company.

Wg. Cdr. (Retd.) A.B. Bhushan was appointed as an Additional Director of the Company with effect from August 13, 2010 and would hold office upto the conclusion of the ensuing Annual General Meeting. It is proposed to appoint Wg. Cdr. (Retd.) A.B. Bhushan as a Director of the Company.

Mr. Murty Gudipati was at the Annual General Meeting of the Company held on September 24, 2009 appointed as the Executive Director of the Company for a period of two years with effect from March 13, 2009 and the remuneration payable to him was also approved at the aforesaid Annual General Meeting. Mr. Murty Gudipati has immensely contributed to the progress and development of the Company when global economic scenario was on the decline. Having regard to the contribution made by him and the remuneration presently paid to comparable Directors in other Companies, it is considered desirable to amend the terms of his appointment including the remuneration. The Resolution for amending the terms of his appointment and remuneration has been included in the Notice for the ensuing Annual General Meeting.

Pursuant to Article 125 of the Articles of Association of your Company, read with Section 256 of the Companies Act, 1956, Mr. Simon Mathews and Mr. Clive Menhinick retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

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

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.

Directors' Responsibility Statement

In terms of Section 217(2AA) of the Companies Act 1956, your Directors would like to state that :

In the preparation of the Annual Accounts, the applicable



accounting standards have been followed along with proper explanation relating to material departures.

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, 2010 and the profit of the Company for that financial year;

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;

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. 26.40 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
Date : August 13, 2010

Simon Mathews
Chairman



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

The market for software and IT services has not, like many other sectors, escaped the effects of the global economic crisis. However, prompt action by Governments across the world and stimulus packages helped to contain the downfall and make the way for revival by end of 2009. However, the industry's growth was affected by recessionary headwinds as the clients cut their IT budgets, cancelled deals, delayed payments and deals, went bankrupt while others renegotiated pricing, looking for severe pricing cuts.

According to the NASSCOM Strategic Review Report 2010, export revenues are estimated to gross USD 50.1 Billion in Financial Year 2010, growing by 5.4 percent over Financial Year 2009, and contributing 69 percent of the total IT-BPO revenues. Several key factors contribute to the growth of IT and IT-enabled services (ITES) in India including availability of quality talent at cost effective rates, rapidly developing infrastructure, an enabling innovation environment, supportive regulatory policies, and a positive overall business environment - all central pillars of India's value proposition.

b. Opportunities, Threats, Risks and Concerns

Global Companies are increasingly turning to offshore technology service providers in order to meet their need for high quality, cost competitive technology solutions. As a de-risking strategy, Companies have moved from giving large orders to breaking up of deals to get better price advantage. The IMF after annual consultations with US authorities raised its US Growth forecasts to 3.3% for 2010 and 2.9% for 2011 but said unemployment would remain above 9% for both years. While the global economic environment remains uncertain, greater demand for services from the existing clients are seen. However, growth is coming at lower rates as clients out-source more work to fewer suppliers and at lesser rates.

Larger Companies could see higher growth and we move to a supply oriented environment where larger providers will be able to meet the requirements better. The ability to recruit matters a lot and that will play out.

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 out 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. The market for IT services is highly competitive. Hiring and retaining the staff to address the renewed demand is worrisome. Competition from emerging low cost destinations like China, Philippines, Brazil, Romania, etc. will also fix additional problems.

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

General consulting market has considerably improved from the beginning of the current financial year. Demand for qualified consultants from financial services Companies has gone up. The strategy lies in recruiting consultants having the right talent. Saven US has plans to increase the number of billable consultants by 20%. The significant increase in the cost of H1B work permits announced recently may erode cost arbitrage and cause a change in the operational model which in our opinion may turn out to be favourable to Companies like Saven Technologies Inc.

The increase in H1B visa cost and tightening of INS scrutiny, would also open up more outsourcing opportunities. Your Company predominantly developing applications for the financial sector foresees a good demand in Algorithmic Trading Systems. Your Company has recently signed a maintenance contract for a period of two years for a client to support and to make enhancements to their PMO Project Portal System and Order and Bug Tracking systems. The Company foresees a good number of projects to be outsourced for reducing the onsite consulting costs. The Company has also commenced night shift operations to collect ETF & MF data from US and Exchanges elsewhere for a key client; significant growth in this area is seen as we have started expanding ETF & MF Universe and develop analytics on top of the collected raw data. The challenge for the Company is to enhance the investment to grow the business given the uncertainty in the global environment. A growth of 50% increase in the staff strength is projected and has plans to



aggressively recruit in a staggered manner; in addition Company has plans to secure CMMI Level 2 certification to service to medium sized business enterprise.

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

Sources of funds

1. Share Capital

The Company has an authorized Share Capital of Rs.16 Crores comprising 1.6 Crore Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Capital as at March 31, 2010 was 10,878,748 Equity Shares of Rs.10/- each.

2. Reserves and Surplus

A. Share Premium

There has not been any change in the Share Premium amount during the year and the same stands at Rs.18.95 Million.

B. Capital Reserve

There has not been any change in the Capital Reserve and the same stands at Rs.4.68 Million.

3. Fixed Assets

The Company incurred a capital expenditure of Rs.1.96 Million (Rs.0.71 Million in the previous year) comprising additions to computer equipment and software of Rs.0.48 Million, furniture & fixtures, air conditioners of Rs.0.16 Million and vehicles of Rs.1.32 Million. The entire capital expenditure was funded out of internal accruals.

4. Investments

The Company had, during the previous years, made strategic investments aggregating to Rs.20.16 Million in its Subsidiaries / Joint Venture. The Company's investment in the wholly owned subsidiary in UK amounting to Rs.0.67 Million has been written off as

there was no operation in the Subsidiary since 2001-02.

5. Sundry Debtors

Sundry debtors amounted to Rs.25.59 Million as at March 31, 2010, compared to Rs.27.76 Million as at March 31, 2009. These debts are considered good and realizable.

6. Cash and Bank Balances

Cash and bank balances have increased from Rs.7.18 Million to Rs.11.60 Million, an increase of Rs.4.42 Million. The surplus amount of Rs.8.23 Million is kept in Fixed Deposits in Scheduled banks. During the year the Company has earned an interest income of Rs.0.61 Million from these deposits.

7. Loans and advances

Loans and advances have decreased from Rs.6.76 Million to Rs.4.61 Million. During the year refundable security deposit of Rs.2.70 Million was received.

8. Net Current Assets

The net current assets of the Company have increased to Rs.39.71 Million as on March 31, 2010 from Rs.37.07 Million the previous year. The current ratio as on March 31, 2010 was 20:1.

9. Results of Operations

The total revenue for the year ended March 31, 2010 was Rs.25.74 Million as compared to Rs.38.81 Million for the previous year. The Operating Profit for the year under review, before depreciation, was Rs.4.59 Million, as compared to Rs.6.27 Million for the previous year. After considering depreciation of Rs.1.98 Million and provision for investments of Rs.0.06 Million for the year under review, the Net Profit was Rs.2.55 Million, as compared Rs.3.09 Million for the previous year.

The Offshore Development & Services income for the year ended March 31, 2010 was Rs.24.46 Million as compared to Rs.20.80 Million for the previous year. As the Technology Consultancy Services were discontinued with effect from January 01, 2009, the income under this segment for the year ended March 31, 2010 was NIL as compared to Rs.14.99 Million for the previous year.

The other income includes Fixed deposit interest income for the year ended March 31, 2010 which was Rs.0.61 Million as compared to Rs.0.48 Million and favourable foreign exchange variance of Rs.1.75 Million for the previous year.

