

Silicon Valley Infotech Limited

Certified to be True Copy
For SILICON VALLEY INFOTECH LTD

Sanjay Kumar

Managing Director



**TWENTY-FIFTH
Annual Report
2007 - 2008**

Silicon Valley Infotech Limited

25th Annual Report, 2008

BOARD OF DIRECTORS

SHRI SANTOSH KUMAR JAIN, *Managing Director*

SHRI B. P. JHUNJHUNWALA

SHRI TAPOSH KUMAR MULLICK

SHRI HARI RAM AGARWAL

COMPANY SECRETARY

SHRI SHIV KUMAR LAKKAR

AUDITORS

P. K. AJITSARIA & CO.

Chartered Accountants

BANKERS

CANARA BANK

HDFC BANK

REGISTERED OFFICE

10, PRINCEP STREET

2ND FLOOR

KOLKATA - 700 072

Phone : (033) 2212-8030

Fax : (033) 2213-2125

E-mail : info@siliconvalleyinfo.net

REGISTRAR & SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PRIVATE LIMITED

6, Mangoe Lane, 2nd Floor,

Kolkata - 700 001

Phone : (033) 2243-5029 / 5809

Fax : (033) 2248-4787

Silicon Valley Infotech Limited

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Silicon Valley Infotech Limited will be held at "Somani Conference Hall", Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Thursday, the 25th day of September, 2008 at 11.00 a.m. to transact the following businesses :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Hari Ram Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. P. K. Ajitsaria & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Registered Office :

10, Princep Street,
2nd Floor,
Kolkata - 700 072

Dated : 30th June, 2008

By order of the Board
For Silicon Valley Infotech Limited

Shiv Kumar Lakkar
Company Secretary

Silicon Valley Infotech Limited

NOTES :

1. A Member, entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2nd Floor, Kolkata 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20th September, 2008 to Thursday, 25th September, 2008 (both days inclusive).
4. The Register of Directors Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
5. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2nd Floor, Kolkata 700 001.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
7. Additional information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed/re-appointed, Members are requested to kindly refer Para 2 of the Report on Corporate Governance forming part of this Annual Report.

Silicon Valley Infotech Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2008.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are given below :-

	(Rs.) Year ended 31.03.2008	(Rs.) Year ended 31.03.2007
Profit/(Loss) before Taxation	18,06,455.92	(52,65,022.57)
Less : Provision for Tax - Current	—	—
- Deferred	—	—
- FBT	24,000.00	10,176.00
Profit/(Loss) after Taxation	17,82,455.92	(52,75,198.57)
Balance brought forward from previous year	(77,63,184.05)	(26,57,934.48)
Provision for Taxation written back for earlier year	—	(1,69,949.00)
Balance carried to Balance Sheet	(59,80,728.13)	(77,63,184.05)

2. DIVIDEND / BONUS

In order to conserve the resources of the Company for future expansion plans, the Board have decided not to recommend any dividend for the year under review.

The Board of directors in their meeting held on 31st December, 2007 approved bonus issue of 6,48,40,000 equity shares of Re. 1 each which was ratified by the shareholders in an extra-ordinary general meeting held on 30th January, 2008. Although the Company has already received in-principle approval from the Bombay Stock Exchange Ltd. (BSE) in respect of the proposed bonus issue yet to be received from the National Stock Exchange of India Ltd. (NSE).

3. PERFORMANCE REVIEW

The performance of the Company during the year has seen a quantum leap but not up to the expectation due to high volatility in the market. Your Directors are making all efforts to improve the performance of the Company in the current year.

4. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

Silicon Valley Infotech Limited

5. DIRECTORS

As per the provisions of the Article of Association of the Company, Shri Hari Ram Agarwal, retire by rotation and being eligible offers himself for re-appointment at this Annual General Meeting. The Board recommends his re-appointment for consideration of the shareholders.

6. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. That in the preparation of the accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. 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;
- d. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2008 on a going concern basis.

7. AUDITORS' REPORT

There are no items on which Auditors have commented which need further explanation from the Board of Directors.

8. AUDITORS

Messrs. P. K. Ajitsaria & Co., Chartered Accountants, Auditors of the Company, who retire at the conclusion of the forthcoming Annual General Meeting, have consented to continue in office, if appointed. They have confirmed that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

9. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975.

10. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

Silicon Valley Infotech Limited

11. FOREIGN EXCHANGE

The Company had no foreign exchange inflow or outflow during the year under review.

12. CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchange, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to this report.

The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The Code of Conduct is available on the Company's website www.siliconvalleyinfo.net The Board members and Senior management personnel have confirmed compliance with the said code.

13. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

14. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in them. Last but not the least, your Directors' place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

Registered Office :

10, Princep Street
2nd Floor
Kolkata - 700 072

Dated : 30th June, 2008

For Silicon Valley Infotech Limited

Santosh Kumar Jain
Managing Director

Hari Ram Agarwal
Director

Silicon Valley Infotech Limited

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the guidelines prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is as follows :-

Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance has always been an integral part of the Company's business philosophy. The Company believes that maximum transparency and disclosure in all transactions beside complying with all applicable laws, rules and regulations in letter and spirit increases the standard of Corporate Governance which in turn enhance the stake holders value in any organization. The Company, by providing maximum level of disclosure and compliance, strives to maintain and increase its Corporate Governance Standard.

Para 2. BOARD OF DIRECTORS

(i) Composition of the Board :

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing.

The composition of the Board of Directors as on 31st March, 2008 is given below :

Sr. No.	Name of the Director	Executive/ Non-Executive	No. of other		
			Directorships(+)	Committee(++)	
				Chairman	Member
1	Shri Santosh Kumar Jain - Managing Director	Executive	7	2	4
2	Shri B. P. Jhunjunwala	Non-Executive & Independent	—	—	—
3	Shri Hari Ram Agarwal	Non-Executive & Independent	—	—	—
4	Shri Taposh Kumar Mullik	Non-Executive & Independent	—	—	—

(+) Excluding directorship held in private limited/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

(++) Represents Chairmanship / Membership of the Audit Committee and Shareholder's/ Investors' Grievance Committee of other companies, in which they are Director.

(ii) The attendance of the Directors at the Board meetings and the last AGM held are given below :

Name of the Director	No. of Meetings		Attendance at last AGM - Held on 18th September, 2007
	Held	Attended	
Shri Santosh Kumar Jain - Managing Director	8	8	Yes
Shri B. P. Jhunjunwala	8	8	No
Shri R. Kalyanaraman	8	2	N.A.
Smt. Sumathi Sridharan	8	2	N.A.
Shri Hari Ram Agarwal	8	6	No
Shri Taposh Kumar Mullik	8	5	Yes

Silicon Valley Infotech Limited

Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :

Name of the Director	Shri Hari Ram Agarwal (Re-Appointment)
Date of Birth	10th October, 1963
Date of Appointment	26th June, 2007
Qualification	B. Com (Hons), LLB, FCA, FCS, DISA (ICA)
Expertise in specific functional area	Shri Hari Ram Agarwal is having vast knowledge and experience in the field of Corporate Law, Finance, Accounts, Audit and Taxation.
Directorship of other Companies (*)	One
Chairman/Membership in the Committees	None
Shareholding in Equity Shares of the Company and % of holding	Nil

(*) Excludes directorships in private limited companies and organisations other than public limited companies.

(iii) Directors' membership in board/committees of other companies :

In terms of the Listing Agreement, none of the directors of your Company were Members in more than 10 (ten) committees nor acted as chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

(iv) Number of Board meetings held, dates on which held :

As per the Listing Agreement, the Board of Directors must meet at least four times a year, with a maximum gap of four months between any two meetings.

During the financial year 2007-08, Board met Eight (8) times on 27.04.2007, 14.05.2007, 26.06.2007, 30.06.2007, 30.07.2007, 29.10.2007, 31.12.2007 and 29.01.2008.

The gap between any two Board Meetings did not exceed four months.

Para 3. AUDIT COMMITTEE

(i) Brief description of the terms of reference :

The terms of reference of the Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to :

- a. the appointment of statutory auditors of the Company,

Silicon Valley Infotech Limited

- b. provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
- c. it acts as a link between the management, statutory auditors and the Board of Directors,
- d. Company's compliance with the statutory requirements.

(ii) Composition and name of members :

The Audit Committee, presently, consists of 3 (three) Independent Members. The following directors are the present members of the Committee :

Name of the Members	Designation	Nature of Membership
Shri Bhagwati Prasad Jhunjunwala	Chairman	Independent & Non Executive
Shri Santosh Kumar Jain	Member	Executive
Shri Hari Ram Agarwal	Member	Independent & Non Executive

All the Members of the Audit Committee are financially literate and Shri B. P. Jhunjunwala, Chairman possesses financial /accounting expertise.

(iii) Meetings held and attendance during the year :

During the financial year 2007-08, the Audit Committee met 5 (Five) times on 27.04.2007, 30.06.2007, 30.07.2007, 29.10.2007 and 29.01.2008.

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Bhagwati Prasad Jhunjunwala	5	5
2	Smt. Sumathi Sridharan	5	1
3	Shri Santosh Kumar Jain	5	5
4.	Shri Hari Ram Agarwal	5	4

Para 4. REMUNERATION COMMITTEE

Details of sitting fees, remuneration etc. paid to Directors :

Remuneration of Rs.12.00 lakh has been paid to Shri Santosh Kumar Jain, Managing Director of the Company, whose appointment and remuneration has been fixed by the Board of Directors and sitting fees of Rs. 7,500/- has been paid to the directors

In view of this, no Remuneration Committee has been constituted.

Para 5. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

Brief description of the terms of reference :

The Share Transfer & Investors' Grievance Committee administers the following :

- a. Transfer of shares
- b. Transmission of shares
- c. Issuance of duplicate share certificates as and when required
- d. Shareholders' queries / complaints and its redressal as and when received