

# SYLPH TECHNOLOGIES LIMITED



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**15<sup>th</sup> ANNUAL REPORT 2007**

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Sylph Technologies Ltd.

1.

**DIRECTORS' REPORT**

To,  
The Members,  
**SYLPH TECHNOLOGIES LIMITED**

Your Directors are delighted to present their 15<sup>th</sup> Annual Report along with the Audited Accounts for the financial year ended 30<sup>th</sup> June 2007.

**Financial Performance:**

Year ended June 30,	2007	2006	Growth %
<b>Income from Operations</b>			
-From Sale of Software	10935000.00	0.00	100
-From Sale of Shares	0.00	47876341.00	—
Other Income	52760.00	0.00	100
Total Income from Operation	10987760.00	47876341.00	
Profit before Depreciation & Tax	5330618.00	479804.58	1011
Less: Depreciation	0.00	0.00	---
<b>Profit before taxation</b>	<b>5330618.00</b>	<b>479804.58</b>	<b>1011</b>
<b>Less : Provision for taxation</b>			
Current Tax	1100000.00	0.00	
MAT Credit Entitlement	0.00	0.00	
Fringe Benefit Tax	0.00	0.00	
<b>Net Profit after tax</b>	<b>4230618.00</b>	<b>479804.58</b>	<b>781.74</b>
Previous Year Adjustment	37751000.00	0.00	
Add: Balance b/f from previous year	-40857574.48	-41337379.06	
Balance available for appropriation	41981618.00	479804.58	
<b>Appropriation</b>			
Transfer to/ (from) General Reserve	0.00	0.00	
Interim Dividend	0.00	0.00	
Proposed final Dividend	0.00	0.00	
Dividend for previous year	0.00	0.00	
Tax on Dividends	0.00	0.00	
Balance carried to Balance Sheet	41981618.00	479804.58	8649.73

**Results of Operations****a) India Operations**

Your Company has recorded a total income of Rs. 10987760.00 in 2007 from Software and Information Technology Business and last year income from Share Trading Business Rs. 47876341.00 in 2006. The revenue from the Share & Software Trading business grew by to Rs. 10935000.00 in 2007 from Rs. 47876341.00 in the previous year. The net profit after tax grew by Rs. 4230618.00 in 2007 from Rs. 479804.58 in the previous year.

**Sylph Technologies Ltd.****2****RESERVES**

During the year the company has not proposes to transfer to the General Reserve. An amount of Rs. 41981618.00 was to be retained in the Profit and Loss Account.

**DIVIDEND**

The Directors of the Company are not recommending any dividend looking to the need of Capital in the Company.

**BUSINESS**

The Company has started Information Technology Business and has started earning profit. The company expects a good business in coming years.

**CORCPRATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

The Company has been proactive in following the principles and practices of good governance. The company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing/Agreements of the Stock Exchange are complied with.

**DIRECTORS RESPONSINBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors hereby state and confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) 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 as at June 2007 and of the Profit and Loss Account for the period ended June30, 2007.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting standard in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposit during the year. The Company do not have any Fixed Deposit with it since inception.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars with regard to conservation of energy etc, as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as the Company is not a manufacturing Company.

The foreign exchange earning and expenditure of the company is NIL.

**Sylph Technologies Ltd.** \_\_\_\_\_ **3.**

#### **DIRECTORS**

Shri Rajesh Jain of the Company retires by rotation and being eligible offer himself for re-election.

#### **AUDITORS**

M/s Surendra Singh Mehta & Company, Auditors of the Company holding office has shown their inability to continue as auditors of the company. The company hereby proposes to appoint M/s M.S. Dahiya & Company Chartered Accountant as Auditor to hold office until the conclusion of next Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. The notes on Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

#### **PARTICULARS OF EMPLOYEES**

The particulars of employees, required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees), Rules 1975 as amended, there are no employees covered by the said Rules.

#### **ACKNOWLEDGEMENT**

The Directors place on record their sincere appreciation for the encouragement, co-operation and support received by the Company from the local authorities, banks, customers, suppliers and business their sincere appreciation of the valuable services rendered by the employees of the Company at all levels.

**For & on Behalf of Board of Directors**

**Director**

**DATE : 21/11/2007**

**PLACE: INDORE**

**Sylph Technologies Ltd.** \_\_\_\_\_ **4.**

## SYLPH TECHNOLOGIES LIMITED

### REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the year October 1, 2006 to June 30, 2007 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

#### A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE: -

The company strongly believes that good Corporate Governance is a pre-requisite for enhancing shareholders long term value. The Board considers itself as the trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

#### B. BOARD OF DIRECTORS

##### (i) Composition and category of Directors

S. No.	Name of Director	Category	Directorship	Number of Other Committee Membership	Committee Chairmanship
1.	Rajesh Jain	Professional/Director	1	1	—
2.	K.K. Bhandari	Independent Director	1	1	—
3.	S.L. Jain	Promoters Director	1	1	—

##### (ii) Attendance of each Director at the Board Meeting and the last Annual : -

The Board of Directors provide the strategic direction and thrust to the operations of the company. During the period under review, 4 Board Meetings were held on 31st July 2006, 30th November 2006, 31st January 2007 & 30th April 2007. The fourteenth Annual General Meeting was held on 31st December 2006.

Attendance of each Director at Board Meeting and Annual General Meeting (AGM) was as follows: -

S.No.	Name of Directors	No. of Board Meetings attended	Attendance at AGM held on 31-12-2006
1.	Rajesh Jain	4	Yes
2.	K.K. Bhandari	4	Yes
3.	S.L. Jain	4	Yes

#### C. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 30<sup>th</sup> June, 2007.

Directors are not paid any sitting fees or any remuneration for attending meeting of of ther Board of Directors and Committees thereof.

**Sylph Technologies Ltd.** \_\_\_\_\_ **5.**

**D. COMMITTEES OF THE BOARD: -**

**(i) Audit Committee**

The following Directors are members of the Audit Committee: -

1. K.K. Bhandari
2. Rajesh Jain

All the members of the Committee are independent Directors. The Statutory Auditors and Internal Auditors attend the meetings of the Committee.

The role, powers and functions of the audit Committee are as stated in clause no. 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee reviews the financial statements before they are placed before the Board. The audit committee has been constituted on 28<sup>th</sup> March 2004 in compliance to clause no. 49 of the Listing Agreement. The Committee reviews the financial statements before they are placed before the Board. During the period under review four meetings of the committee were held i.e. 31<sup>st</sup> July 2006, 30<sup>th</sup> November 2006, 31<sup>st</sup> January 2007 & 30<sup>th</sup> April 2007 and all the directors were present in all the four meetings.

**(ii) Share Holders / Investors Grievance Committee**

The following Directors are members of the Shareholders Committee.

S.No. Name of the Directors

1. Rajesh Jain
2. K.K. Bhandari

Mr. Atul Chauhan is the Compliance Officer of the company.

M/s Ankit Consultancy Private Limited is a Share Transfer Agent of the company.

The Company's shares are in D-Mat form. The company has signed up with CDSL. The application for registration with NSDL is pending. The INE Number is INE706F01013.

**E. GENERAL BODY MEETING: -**

Particulars of the last Three Annual General Meeting (AGM) of the company have been held at the following places in the last three years: -

AGM	For the year	Venue	Date	Time
12 <sup>th</sup>	30-09-2004	22, Press Complex, Indore	31-12-2004	11:00 AM
13 <sup>th</sup>	30-09-2005	22, Press Complex, Indore	31-12-2005	11:00 AM
14 <sup>th</sup>	30-09-2006	22, Press Complex, Indore	31-12-2006	11.00 AM

**Postal Ballot**

No Special Resolution requiring postal ballot was placed before the Last Annual General Meeting. No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

**Sylph Technologies Ltd. \_\_\_\_\_ 6.****F. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS: -**

Pursuant to the provision of Section 255 and 256 of the Companies Act, 1956, Mr. Rajesh Jain retires by rotation at the forthcoming Annual General Meeting.

**G. DISCLOSURES: -**

(i) There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the company at large.

(ii) There is no non-compliance by the company or any penalties, structures imposed by the Stock Exchange, SEBI, or any other statutory authorities on any matter related to capital markets, during the last three years/period.

**H. MEANS OF COMMUNICATIONS: -****Financial Results**

The quarterly unaudited financial results and annual audited financial results are normally published in Malav Anchal & Free Press.

**I. GENERAL SHAREHOLDERS INFORMATION: -****(i) Annual General Meeting: -**

Day, date and time : Monday 31<sup>st</sup> December 2007  
Venue : 22, Press Complex, Indore, Indore

**(ii) Financial Calendar: -**

Calendar of events for the year ended 30<sup>th</sup> June 2008.

Audited results for the period ended 30-06-2008 : 31-08-2008

First Quarter Results (2007-2008) : On or before 31-10-2007  
Second Quarter Results (2007-2008) : On or before 31-01-2008  
Third Quarter Results (2007-2008) : On or before 30-04-2008

**(iii) Date of Book Closure: -**

The Company's Register of Members and Share Transfer Books shall remain closed from 10<sup>th</sup> December 2007 to 29<sup>th</sup> December 2007 (both days inclusive).

**(iv) Share Transfer System: -**

M/s Ainkit Consultancy Private Limited is a Share Transfer Agent. Shares have transferred during the year. Transfers of shares took place during the year.

**(v) Investor Services – queries / complaints during the period ended .**

During the period from 01-10-2006 to 30-06-2007 queries / complaints / requests were received by the Company from the shareholders and investors have been resolved.